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For Aquino, a Productive Start, But There Is Still Work to Do

By Seth Mydans
New York Times Service

MANILA — When Corazon C. Aquino, as a presidential candidate, first started talking about what she would accomplish in her first 100 days as president, one of her advisers recalls, "talk was easy" because she was not expected to take office.

Killings are eroding the Philippine Communist rebels' reputation as a people's army. Page 2.

But now the reality is upon her.

Government ministers have been rushing to complete initial projects or programs of re-organization, the armed forces have prepared a 100-day progress report and the president herself has scheduled a news conference Thursday to mark the occasion.

Mrs. Aquino's own staff has been monitoring her progress, and a group of technocrats known as the presidential management staff has drawn up a report listing her campaign promises and the action that has been taken on them.

According to the 21-page report, titled "Promises Made by the President," Mrs. Aquino has fulfilled 10 of her 100-day pledges, started work on six others and left one still pending. A tally also is included on dozens of campaign promises that did not involve a 100-day deadline.

The president's primary accomplishments were achieved in her first weeks in office when she took a number of strong steps to re-establish human rights and to uproot the political and government structure she inherited from the former president, Ferdinand E. Marcos.

Since then she has been at work on some of the more difficult problems that still face her, notably the establishment of a promised cease-fire with Communist rebels and a turnaround in the devastated Philippine economy.

Continuing action by the rebels and the military, as well as a seeming slowness by the rebels to respond, have delayed progress toward a cease-fire.

Her government is now considering an economic plan that would favor private enterprise and give priority to rural development. But continuing questions about the government's policies and stability have slowed foreign and domestic investment.

Reuters

Corazon C. Aquino

After scrapping the 1973 Marcos constitution and abolishing the legislature, Mrs. Aquino has appointed a commission to draw up a new constitution that she said would be the foundation for a return to full democracy.

Her government is trying to deal with difficult questions of military reform, human rights, the recovery of Mr. Marcos's assets and the replacement of thousands of local officials throughout the nation.

Questions continue to be raised about Mrs. Aquino's policies as a result of public disagreements among her cabinet ministers, which she has called "democracy in action."

"At the start it was messy," said one of the men involved in preparing the report on the president's progress. "You have to understand that most of her ministers have had no experience in government. But by this time the learning process is being completed."

Mrs. Aquino remains the symbol around whom this fractious nation is united, and she is an object of continuing fascination to Filipinos.

Because of her unorthodox political style and a certain elusive quality to her character, many find it difficult to say just why they believe she has succeeded so far in maintaining the allegiance of the majority of the people.

The quality they name most often is the attribute she herself has said from the start would be her chief contribution: her sincerity.

"Marcos was brilliant, but he was a liar," said a soldier in explaining why Mrs. Aquino could become a respected commander-in-chief.

A young journalist said: "She symbolizes all that we've gone

See AQUINO, Page 6

Reuters

Amid New Violence, Symbols of Sikh Resentment

Bimal Kaur Khalsa sits with her son, Jaswinder, on Wednesday before leading an attack by Sikh militants on guards at the Golden Temple in Amritsar, India. She is the widow of Beant Singh, one of Indira Gandhi's bodyguards involved in the assassination of the prime minister in 1984. Page 6.

Moscow Warns That SALT Move Perils Summit

By Philip Taubman
New York Times Service

MOSCOW — The Soviet Union said Wednesday that President Ronald Reagan's decision to go beyond negotiated limits in nuclear weapons undermined the entire arms-control process and diminished the chances for a summit meeting this year.

Aleksandr A. Bessmertnykh, a deputy foreign minister, said at a news conference that the "defiant" action of the United States in saying it would break provisions of the unratified 1979 strategic arms limitation treaty demonstrated that Washington was "doing everything possible to undermine the possibility" of a 1986 meeting between Mr. Reagan and Mikhail S. Gorbachev.

Mr. Bessmertnykh said that the U.S. position on SALT-2 also made it more difficult to conduct negotiations with the United States in Geneva about future nuclear arms reductions.

"The impact on the Geneva talks will be negative," Mr. Bessmertnykh said. "It is difficult to believe in the sincerity of the other side's intent to seek new far-reaching agreements when it violates the existing accords."

Marshal Sergei F. Akhromeyev, the Soviet chief of staff, said at a news conference that if Washington breached the 1979 treaty, Moscow would take whatever countermeasures were necessary to maintain military parity. This might include, the marshal said, increasing the number of warheads on long-range missiles.

Western diplomats said that Mr. Bessmertnykh's comments, while not definitively ruling out a visit by Mr. Gorbachev, had moved Moscow closer to a cancellation.

Mr. Reagan and Mr. Gorbachev agreed at their Geneva meeting last November to exchange visits, with Mr. Gorbachev traveling to Washington in 1986 and Mr. Reagan going to Moscow in 1987.

The two sides have been unable to agree on a date for Mr. Gorbachev's visit. A preparatory meeting was canceled by Moscow after the

See SALT, Page 6

AP

Aleksandr A. Bessmertnykh, speaking at a news conference on Wednesday.

Reagan Asks Congress to Sustain SDI

By Gerald M. Boyd
New York Times Service

WASHINGTON — President Ronald Reagan has appealed to Congress to continue to provide funds for his space-based missile defense program and improvements in U.S. nuclear forces.

Mr. Reagan, in a letter sent Tuesday, said budget cuts that would slow either program would be "the worst way to respond to the continuing pattern of Soviet activities."

The detailed statement reflected deep administration concern that the five-year U.S. military buildup is in danger, especially the Strategic Defense Initiative, as the missile defense research program is called.

Mr. Reagan warned that Congress was on the verge of imperiling U.S. security, undercutting American negotiating efforts at the Geneva arms control talks and sending "precisely the wrong signal" to the Soviet leadership.

"There is no free ride," he said.

Mr. Reagan was responding to developments that have raised significant doubts among administration officials about the willingness of Congress to provide what they consider adequate military spending. There has been concern over a move in the Senate to sharply curb spending on research for the Strategic Defense Initiative.

Meanwhile, the chairman of the Senate Budget Committee, which is controlled by Mr. Reagan's Republican Party, told the president Tuesday that unless he agreed to a revenue increase, not even the Senate's 1987 military budget level would be approved.

The Senate level is already $19 billion below what Mr. Reagan sought for the Pentagon, and the House of Representatives figure is $16 billion below that.

"I wasn't very optimistic without revenue," the committee chairman, Pete V. Domenici of New Mexico, said he told Mr. Reagan at a meeting Tuesday. The president opposes a tax increase.

The White House has been particularly concerned about a letter from 46 senators urging reductions in the missile-defense research program. The letter, written two weeks ago to Senator Barry Goldwater, a Republican of Arizona, who heads the Armed Services Committee, urged that Mr. Reagan's request of $5.4 billion be cut to $3.1 billion.

Mr. Reagan's letter to Congress, which the White House made public, was accompanied by a summary of the strategic modernization programs that he said should be exempt from budget cuts.

Among the programs listed as essential by Mr. Reagan were the Strategic Defense Initiative, the Stealth bomber and advanced cruise missile, the Trident-2 submarine, 50 additional MX missiles and a smaller, mobile intercontinental ballistic missile.

In Realm of Spying, a Shadowy Tale From Warsaw

By Bob Woodward and Michael Dobbs
Washington Post Service

WASHINGTON — At a secret high-level meeting in Warsaw early in November 1981, a very agitated Soviet official announced to members of the Polish government and general staff that plans for a crackdown on the Solidarity trade union had somehow been leaking out to the United States, according to sources familiar with U.S. intelligence reports.

Everyone at the session voiced dismay, even outrage, at the betrayal of such a crucial state secret.

Colonel Wladyslaw Kuklinski, a senior staff officer involved in planning the imposition of martial law, joined in and expressed particular shock and distress, the sources said. The colonel then left the meeting and gave a pre-arranged emergency signal to the Warsaw station of the Central Intelligence Agency. Within hours the colonel, his wife and at least one son were "exfiltrated," the CIA term for rescuing undercover agents in danger.

Colonel Kuklinski had been a longtime "asset" of the CIA who provided such accurate intelligence about the planned imposition of martial law that the White House had "the operational blueprint," one source said. At one point, the source said, these plans were on President Ronald Reagan's desk.

In an interview in Warsaw Tuesday with a Washington Post correspondent, the Polish government spokesman, Jerzy Urban, volunteered information about the case, including the name of Colonel Kuklinski. Mr. Urban said the colonel had been deeply involved in planning for martial law.

The spokesman added that the colonel had been a CIA spy inside the Polish general staff, and asserted that the Reagan administration could have prevented martial law in Poland in December 1981 by disclosing Polish intentions.

"The U.S. administration could have publicly revealed these plans to the world and warned Solidarity," Mr. Urban said. "Had it done so, the implementation of martial law would have been impossible."

The Polish decision to disclose secret details about Colonel Kuklinski, including his name, appeared designed to bolster Warsaw's contention that President Reagan failed to do all he could to help Solidarity and had not been interested in a peaceful solution to the Polish crisis.

U.S. sources denied that this would have been possible because, according to their account, a key fact that Colonel Kuklinski had been unable to provide was the date the Polish government would impose martial law.

The CIA considered the penetration of the Polish high command to be among its most important intelligence successes. Colonel Kuklinski had provided stunning and timely information on various plans from the highest levels of the Polish government and general staff, U.S. sources said. But some of the plans were not put into effect.

"We had everything in the plan but the day," one U.S. source said, "and therefore there was no way to act."

But Mr. Urban said in the interview that Colonel Kuklinski had been aware that Dec. 15 was the latest feasible date for imposing martial law because large numbers of Polish conscripts were due to be discharged at that time.

The declaration of martial law on Dec. 13 by General Wojciech Jaruzelski, head of the regime, effectively ended the first experiment in trade union pluralism in a Communist country.

Colonel Kuklinski and his family

See POLAND, Page 6

Soviet Reports Radiation Endangered Byelorussia

Reuters

MOSCOW — The Soviet newspaper Pravda reported Wednesday that radioactive contamination had been found in Byelorussia, outside the 18-mile (30-kilometer) danger zone imposed in the Ukraine around the Chernobyl nuclear reactor, and said that extensive emergency measures were under way.

Pravda quoted officials in Byelorussia, north of the Ukraine, as describing large-scale evacuation and protective measures in several districts south of the city of Gomel, in the direction of Chernobyl.

"Clean areas were discovered inside the 30-kilometer zone," a Byelorussian deputy premier, Aleksandr Petrov, said in Pravda, "and at the same time, individual 'dirty spots' beyond its boundaries."

The article was the latest in a series in the official press indicating that danger from the Ukrainian power station disaster was not limited to the reactor zone, from which 92,000 people were evacuated.

A Moscow doctor said Tuesday that 25 persons had died as a result of the April 26 accident and that 30 were in critical condition.

Another deputy premier of Byelorussia, N. Mazai, told Pravda that 60,000 children had been evacuated from the "dangerous zone" and that a "significant number" of children had been sent to summer camps in other republics.

Pravda's report was the first mention of a big move from Byelorussia, which lay in the path of winds that blew radiation northwest from Chernobyl in the days after the reactor exploded.

An earlier report from Byelorussia, printed May 19 in the Moscow daily newspaper Izvestia, said that 26,000 people had been evacuated from the areas of "highest radiation" in the south of the republic.

The Pravda report described safety measures, including warnings to people not to eat local produce. It also said that tractors with hermetically sealed cabs had been sent to the zones for cleanup work.

The article described a struggle against dust on the roads, "the most active carrier of radiation."

The Byelorussian minister of health, N. Savchenko, complained to Pravda that "many economic managers and citizens showed carelessness and elementary medical ignorance."

■ Boan Sets Reactor Revision

A West German nuclear reactor, ordered shut down pending an inquiry into why it leaked radiation last month, should be partly remodeled for safety, a government official said Wednesday. The Associated Press reported from Düsseldorf.

United Electricity Works-Westphalia, operators of the station, have submitted several proposals for redesigning the plant's fuel-loading system, according to the North Rhine-Westphalia state economics minister, Reimut Joachimsen.

A valve malfunction in the loading system is believed to have caused a brief radiation leak May 4.

The reactor was switched off Friday. But on Monday, Mr. Joachimsen ordered the utility to keep the plant idle until an inquiry into the causes of the leak was completed, probably by the coming weekend.

The Associated Press

Two Sunni Moslem boys in the wreckage of their father's store in Beirut.

Shiites Tighten Control Over Camps in Beirut

Reuters

BEIRUT — Shiite Moslem fighters tightened their grip Wednesday on Palestinian camps after crushing a rival faction in West Beirut's heaviest street fighting this year.

Amal militiamen set up checkpoints in Sunni Moslem areas they seized from the February 6th Movement in fighting Tuesday.

Nabih Berri, the Amal leader who also is justice minister in the Lebanese cabinet, urged Lebanese regular troops and police to deploy to restore order.

Analysts said advances into the Sunni areas gave the Syrian-backed Shiites a strategic position from which to continue their fight to control adjacent Palestinian camps.

Mr. Berri's fighters clashed sporadically Wednesday with Palestinians defending the Sabra, Chatila and Burj al-Brajneh camps, where at least 68 persons have been killed in two weeks of heavy fighting.

Tuesday's battle was widely seen as stemming from the camps. Sunnis sympathize with the mainly Sunni Palestinians and still bitterly resent the defeat of a large Sunni militia by Shiite and Druze fighters in April 1985.

Amal surrounded the camps the following month to stop the Palestine Liberation Organization from rebuilding military bases in Beirut destroyed during Israel's 1982 invasion.

But the operation failed to reduce growing support for Yasser Arafat, the PLO chief.

Mr. Arafat denies responsibility for the fighting but aides in his el-Fatah guerrilla group have said that Fatah members have returned to the camps in recent months.

■ Appeal to Kidnappers

The dying brother of Terry A. Anderson, a journalist who is one of five Americans believed held hostage by Islamic Jihad in Beirut, has made an emotional appeal for his release, Reuters reported from New York.

"My father died of cancer, waiting to see Terry," said Glenn Anderson Jr., 46, from his hospital bed in Batavia, New York. "He did not see him. Now I have cancer and I made a vow I would not die until I saw Terry."

Mr. Anderson's father died of cancer last February.

Mr. Anderson, 38, the Beirut bureau chief of The Associated Press, was abducted on March 16, 1985.

Afrikaner Political Monolith Begins to Crumble

By Allister Sparks
Washington Post Service

STELLENBOSCH, South Africa — The young Afrikaner spoke softly but bluntly.

"We were brought up on a political gospel which we have discovered was a vicious lie," he said. "Now we have to liberate ourselves. There has to be a redefinition of what it means to be a white Afrikaner living in Africa."

A few years ago it would have been considered ethnic heresy for an Afrikaner to describe the apartheid ideology in such terms, even here at Stellenbosch University, considered a liberal Afrikaner university. Stellenbosch is a little town in the wine-producing region near Cape Town.

The young Afrikaner is part of an emerging wing of Afrikaners labeled the "new Nats" by local newspapers. These liberals represent a reverse phenomenon to the neo-Nazi Afrikaner Resistance Movement, which is burgeoning on the far right. The two elements illustrate how the once monolithic Afrikaner nationalist movement, which has controlled South Africa for 38 years, is disintegrating.

A measure of nonconformism has always been tolerated at Stellenbosch, but in the past the university's *verligtes*, as Afrikaner liberals are called, were careful not to break the rules of permitted dissent. The established procedure was to work patiently for the advancement of their ideas within the framework of the Afrikaner nationalist movement and never to go public with any criticism of the leadership.

Now that has changed. At Stellenbosch and elsewhere, dissent has taken on a new boldness. The liberals are publicly rejecting apartheid and calling Afrikaner nationalism's entire value system into question.

Some have traveled to neighboring black countries to meet exiled leaders of the outlawed African National Congress and talk of their readiness to accept black majority rule. They include journalists and businessmen as well as students, and there are some National Party members of Parliament among them who express views in private that are more reformist than those of the main liberal opposition party, the Progressive Federal Party.

"The cement is coming out now that the government itself has pronounced apartheid outdated and is committed to moving away from it," said Hermann Giliomee, a leading Afrikaner political scientist.

"The justificatory ideology has been destroyed and there has been no real shift to an alternative ideology," Mr. Giliomee added. "The result is uncertainty in which different sectors of the community are responding in different ways."

Coinciding with this, changes in the South African economy have caused class differences within the Afrikaner community to surface, Mr. Giliomee said.

Rapid urbanization and the growth of industry have caused the government to pay more attention to the cities and less to the Afrikaner farmers. Agricultural subsidies have been cut, threatening many farms.

Government decisions to upgrade black education and remove restrictions on black job advancement have coincided with a sharp economic recession in recent years, putting a squeeze on unskilled white workers, mostly Afrikaners.

The result, said Mr. Giliomee, is that the better educated and economically more secure Afrikaners are responding to the new uncertainty by thinking in terms of trying to negotiate a deal with the blacks; however, what he calls the "disadvantaged one-third" of the Afrikaners feel threatened and are turning to the far right.

The far right consists of four main groups: Andries P. Treurnicht's Conservative Party, which has 17 representatives in Parliament; the more extreme Herstigte National Party led by Jaap Marais, which has one seat; the even more extreme Afrikaner Resistance Movement of Eugene Terre Blanche, and a counter to the Broederbond secret society called the Afrikaner Volkswag, led by Carel Boshoff, a theology professor and son-in-law of apartheid's chief ar-

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Reuters-UPI

Ed Zschau

9 U.S. States Vote in Primary Polls

By James R. Dickenson and Bill Peterson
Washington Post Service

WASHINGTON — Americans in nine states voted in the biggest round of primary elections this year, picking candidates who will determine, among other things, whether Republicans retain control of the U.S. Senate in the fall.

Voters elected on Tuesday their parties' respective candidates for governor and the U.S. House of Representatives as well as the Senate.

In a key California election, Republicans chose Representative Ed Zschau, a moderate, as their candidate to attempt to unseat Senator Alan Cranston, a Democrat, in the fall.

Republicans consider Mr. Cranston a particularly vulnerable opponent in the November general elections.

In South Dakota, Republicans chose Senator James Abdnor over Governor William J. Janklow, who sought Mr. Abdnor's Senate seat. Mr. Abdnor will face Representative Tom Daschle, a Democrat, in the fall.

In New Jersey, Representative Peter W. Rodino Jr., who is chairman of the House Judiciary Committee, easily defeated his Democratic challenger.

Mr. Rodino, who presided over the impeachment hearings of former President Richard M. Nixon, is expected to have no trouble defeating his Republican opponent in the fall, Alvin K. Terry, for his 20th term.

In Iowa, Lowell Junkins, the former majority leader in the state Senate, easily won the Democratic gubernatorial primary and will op-

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■ Repatriates who travel can choose from a variety of emergency insurance plans. Page 6.

BUSINESS/FINANCE

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■ A U.S. official said President Ronald Reagan will not back away from a tariff that has angered Canada. Page 15.

SPORTS

■ Unseeded Mikael Pernfors upset No. 3 seed Boris Becker to advance to the semifinals of the French Open. Page 12.

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Travels in Indonesia, from volcanos to golf courses.

WORLD CUP SOCCER

Wednesday's Results

West Germany 1, Uruguay 1

Paraguay 1, Iraq 0

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Filipino Rebels Turn Tougher

But Killings Erode Their Reputation as People's Army

By William Branigin
Washington Post Service

DAVAO, Philippines — Wilfredo Aquino was leaving the neighborhood of a brothel he owned in the tough Agdao slum district of this southern port city when his jeep came to a roadblock manned by several men wearing fatigues and armed with M-16 rifles.

Without warning, the men opened fire, instantly killing Mr. Aquino, 38, a community political leader and head of a unit of the paramilitary Civilian Home Defense Force in Agdao. Also killed in the fusillade were his driver and a 28-year-old woman identified as Mr. Aquino's mistress. The police recovered 58 M-16 bullet casings from the scene of the ambush on April 22.

The killing of Mr. Aquino, who was not related to the Philippine president, was promptly claimed by the New People's Army, the armed wing of the Communist Party of the Philippines. It said in a rare published statement that the "regional partisan command of Davao City" had executed Mr. Aquino for a long list of "crimes" that allegedly included gunning down striking workers.

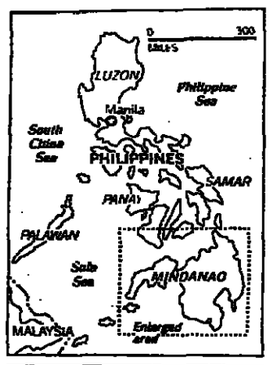
"Let his death serve as a sobering reminder to all fascist forces, military and paramilitary alike," the statement said, "that the New People's Army will never allow crimes against the masses without retribution."

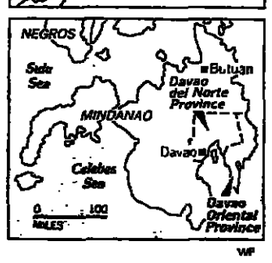
While Mr. Aquino's death went largely unlamented because of his unsavory reputation, there have been signs lately that other killings are costing the New People's Army its Robin Hood image here.

The death toll in Davao, known as the Philippine "murder capital," is still way below the rate of last year, when about 800 people were killed. But military and Roman Catholic Church leaders are expressing concern that the Communists are starting to take a tougher line as they debate a cease-fire offer and try to prevent defections from their ranks.

In any case, there is wide agreement that public attitudes toward the Philippine armed forces in Davao have improved significantly since a military-led popular revolt against Ferdinand E. Marcos swept Corazon C. Aquino to power on Feb. 25.

"People are less afraid, less antagonistic toward the military," said one Filipino priest. He said the attitudes toward the military had changed — and dissatisfaction with guerrilla excesses had increased — even in Agdao, which has been dubbed "Nicaragdao" because of heavy Communist influence there in recent years.





WP

According to church sources, among the more ruthless killings by the Communists recently have been the executions of at least 30 insurgents suspected of being military "deep penetration agents" — also known among the rebels as "zombies" — near the northern Mindanao city of Butuan.

A priest said the purge, which started last October and has continued this year, was widely considered as "a real black eye for the rebel movement."

Diplomatic sources confirmed that such killings took place after the military had succeeded in placing a woman infiltrator on a Communist Party commission that oversees operations on Mindanao. They said the woman was caught and executed, setting off the purge.

Since the February revolt against Mr. Marcos, the New People's Army also has trained its sights on members who heeded President Aquino's call to abandon the Communists' 17-year guerrilla war.

According to the Reverend Emeterio Barcelon, who helps in a private rehabilitation program for rebel defectors, at least three former insurgents who sought to join the program have been assassinated by their former comrades.

Colonel Marcelo Blando, the commander of a Scout Ranger regiment in the province of Davao del Norte, said one person who surrendered was released from his military camp at 2 P.M. on May 12 because he had gotten a job. By 5 P.M. he was dead, Colonel Blando said.

Despite high hopes that many rebels would quickly abandon their struggle after the departure of Mr. Marcos, the Aquino government has been met by only a trickle of insurgents laying down their arms. In southeastern Mindanao, according to the military, about 200 rebels have surrendered out of a total of more than 8,000 operating on the island.

At the same time, killings of suspected rebels by the military also have reportedly continued. Davao newspapers reported five such killings, known as "salvagings," in the first four days of May alone.

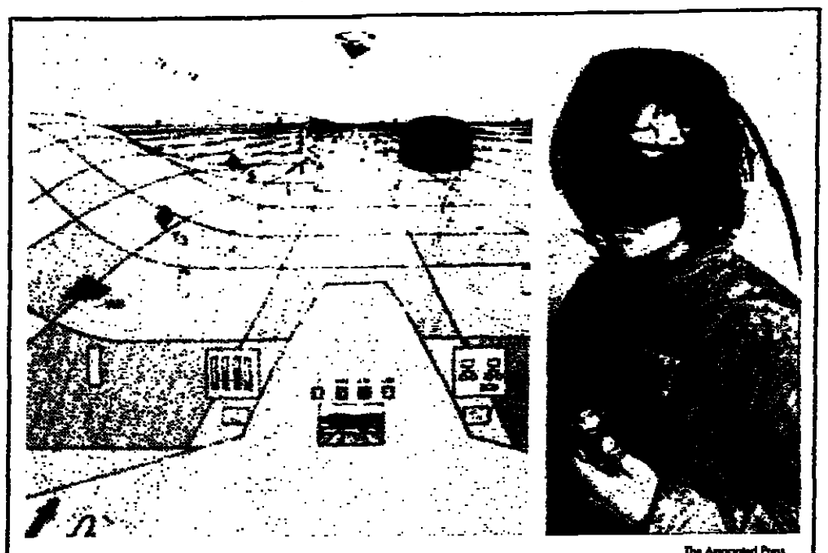
■ U.S. Expresses Pessimism

Keith B. Richburg of The Washington Post reported from Washington:

Senior Reagan administration officials have delivered a surprisingly pessimistic assessment of the Philippine insurgency, saying that the Communist rebels are growing stronger and more violent.

Richard L. Armitage, deputy assistant secretary of defense for international security affairs, told the Senate Foreign Relations Committee on Tuesday: "The military situation is serious, and getting worse, with the Communists enjoying the initiative and assuming de facto control in areas where government influence has eroded."

The rebels "are not coming down from the hills," and recent rebel ambushes on government troops show that "military action will be required to defeat the insurgency," Mr. Armitage said.



The Associated Press

'DARTH VADER' HELMET — A helmet, right, being developed by the U.S. Air Force enables a pilot to activate an electronic system that senses the position of his helmet and aims missiles in the direction he is looking. Cameras mounted on an aircraft would feed pictures, left, to receivers in the helmet, for projection onto its visor.

Reagan Asks Senate to Uphold Veto Of Measure Barring Saudi Arms Sale

By Lou Cannon
Washington Post Service

WASHINGTON — President Ronald Reagan said that if the Senate overrode his attempt to sell advanced missiles to Saudi Arabia the action would "seriously undermine" U.S. foreign policy objectives in the Middle East.

In a meeting with Republican congressional leaders Tuesday, the president appealed for Senate support to sustain his veto of a congressional resolution that would forbid the arms sales.

After the meeting, the Senate majority leader, Bob Dole, a Republican of Kansas, and the chairman of the Senate Foreign Relations Committee, Richard G. Lugar, a Republican of Indiana, expressed optimism that the veto would be sustained when the Senate voted Thursday.

White House officials previously contended that Mr. Reagan had commitments from the 34 senators he needed to uphold the veto if all 100 senators voted.

But he refused to predict victory during a brief photo session at the beginning of the meeting, saying, "I'm just superstitious about that sort of thing."

Mr. Dole and White House officials said the administration is making the Saudi arms sale a test of presidential leadership. Mr. Reagan opened the meeting by saying the United States has had a mutual security pact with Saudi Arabia for more than 40 years and stressed the importance he attached to sustaining the veto.

During the meeting Mr. Reagan also appealed for his long-delayed proposal to provide $100 million in aid to the anti-Sandinist rebels in Nicaragua. A vote is due in the House of Representatives at midmonth, but administration officials say they are much less optimistic about its prospects than they are about the Saudi arms vote in the Senate.

A White House spokesman, Edward P. Djerejian, quoted Mr. Reagan as telling the congressional leaders that food, clothing, medical supplies and ammunition for the rebels are now in short supply.

"It's intolerable that we have waited as long as we have," Mr. Djerejian quoted Mr. Reagan as saying. "This is a national security matter, not a domestic partisan debate. I am concerned that if we do not find a way to help the freedom fighters very quickly, we will face far more difficult and severe choices in the future."

At the photo session, Mr. Reagan was asked whether he agreed with William J. Casey, the director of central intelligence, that members of the news media should be prosecuted for publishing information leaked by government officials.

"It isn't a case of what we may think about it," Mr. Reagan said. "There is a law that was passed," which he described as "very specific."

"It's about anyone who makes public information which could be dangerous to our national security. And I would think that all of us are bound by that law."

U.S. Renews Romania's Trade Benefit

By Bernard Gwertzman
New York Times Service

WASHINGTON — President Ronald Reagan has approved another yearlong extension of trade benefits to Romania, but said he did so "with difficulty" because of its poor record on human rights.

In a statement Tuesday, the president said, "I am disappointed by the very limited response of the Romanian government to numerous expressions of strong U.S. public, congressional and administration concern about its performance in areas of human rights and religious issues."

Some members of Congress had urged the president to deprive Romania of so-called most-favored-nation treatment, which grants lower import tariffs.

Under the 1974 Trade Act, the United States can extend tariff benefits to Communist countries on a year-by-year basis if they relax restrictions on emigration. Only China, Hungary and Romania are given such treatment on this basis, and all received an extension.

In the case of Romania, staff members of the House of Representatives had said that there was a chance this year that, for the first time, Congress might vote to cancel the tariff benefits. Mr. Reagan could veto such a move, and it is not believed that the Senate would vote to override such a veto.

The State Department had recommended an extension on the ground that, without such action, the United States would have less leverage to promote broader civil liberties in Romania.

What apparently persuaded the President to go ahead with the extension was a recent Romanian decision to permit 1,000 people to emigrate.

Aside from China, Hungary and Romania, which require extensions on a yearly basis, the United States also grants most-favored-nation treatment to Yugoslavia, which has virtually unrestricted emigration and is not subject to renewals.

A report on human rights in Eastern Europe, issued by the State Department Tuesday, said, "Romania's observance of basic human rights continues to be poor."

It said that, despite constitutional guarantees, "the practice of religion in Romania continues to be circumscribed by the government."

"Officially tolerated religious activity is restricted to the 14 denominations officially recognized by the government," it said.

Israel Lacks Case Against Waldheim

The Associated Press

TEL AVIV — Israel has no evidence to personally link Kurt Waldheim, the Austrian presidential candidate, with Nazi atrocities, Justice Minister Yitzhak Modai said Wednesday.

Speaking on Israel Radio, Mr. Modai said a commission set up to investigate Mr. Waldheim had not uncovered conclusive proof of his involvement in war crimes.

"So far," he said, "we know that we have dealings with a man who was a member of atrocious, criminal, destructive organizations." But, he added, "We have no information connecting Waldheim with personal participation in those crimes."

He said Israel wanted to launch an investigation of the former UN secretary-general, but "additional evidence against Waldheim is in countries where we have no way of getting at it." He refused to say where the information was or whether Israel would request it.

Yugoslavia is known to have some files relating to Mr. Waldheim's activities in World War II. The documents were made available to the UN War Crimes Commission in 1947 but were later returned to the Belgrade government.

Leaders of the World Jewish Congress have accused Mr. Waldheim of signing documents dealing with the killing of civilians in Yugoslavia and complicity in the deportation of Jews from Greece during his service in the German Army in World War II. Mr. Waldheim has denied the accusations.

Mr. Modai said that if Mr. Waldheim were elected president of Austria Sunday, Israel would "have to decide whether to take any action."

Wu Meets Budapest Minister

Reuters

BUDAPEST — Foreign Minister Wu Xueqian of China and Foreign Minister Peter Varkonyi discussed improving bilateral relations on Tuesday. Mr. Wu was to meet the Hungarian Communist Party leader, Janos Kadar.

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Tanaka, Recovering From Stroke, Reportedly Plans Political Comeback

Reuters

TOKYO — Kakuei Tanaka, a former prime minister and one of Japan's most powerful political figures, appears to be planning a political comeback despite having suffered a stroke last year, his supporters say.

A monthly magazine published by Tanaka supporters appeared Monday with three front-page color pictures of the 68-year-old millionaire. The appearance of the magazine coincided with Prime Minister Yasuhiro Nakasone's announcement that an early general election would be held July 6.

Mr. Tanaka, convicted in 1983 of taking a $2-million bribe from Lockheed Corp., has not made any public appearances or released any photographs since the stroke and supporters have refused to say if he would appear in person during the legislative campaign.

Akira Tokioka, the editor of the magazine Etsuzan, which ran what it said were recent pictures, conceded that Mr. Tanaka still had difficulty in walking and talking as a result of the stroke in February 1985 that paralyzed his right side.

"But he can convey what he wants to say and gives instructions to his election campaign managers," Mr. Tokioka said. "Otherwise, he rarely discusses politics."

"We sure will return him to the lower House, if not with the 220,000 votes he collected in the last general election in 1983," he said.

Mr. Tanaka's runaway 1983 victory, when he received more than half the available votes in his constituency in Niigata, northern Japan, came despite his bribery conviction. The result of his appeal against the verdict is due this year.

Mr. Tokioka added that Mr. Tanaka, who left the ruling Liberal Democratic Party and became an independent member of the Diet, or legislature, after being charged with bribery in 1976, would run again as an independent with the backing of the ruling Liberal Democrats, if not on the party's ticket.

Despite the bribery disgrace, Mr. Tanaka continued to lead the biggest of five major Liberal Democratic factions, acting as political kingmaker. He still nominally holds the position.

Mr. Tokioka said that Mr. Tanaka goes out in a car occasionally. The car's number plates have been changed so that "he can go around without being noticed, for about an hour each time, partly to refresh his memories," he said.

"He often strolls in his garden for rehabilitation and rarely uses a wheel chair anymore," Mr. Tokioka added.

WORLD BRIEFS

Athens Is Accused of Favoring Libyans

ATHENS (UPI) — Three members of the conservative opposition New Democracy Party accused the government Wednesday of harboring Libyan terrorists and granting Libya excessive diplomatic privileges.

Yannis Paleokrassas, Yannis Varvitsiotis and George Souflias submitted a list of written questions to the government, including assertions that it had issued 56 diplomatic license plates to the Libyan People's Bureau, or embassy, although it employed far fewer diplomats. The statement also asserted that two Libyans driving cars with the diplomatic plates were "known terrorists."

A government spokesman, Miltiades Papaioannou, said the government was studying the questions and would reply within 30 days. A senior official, who asked not to be identified, said the figure of 56 diplomatic plates was "exaggerated" and denied that Libyans using diplomatic plates included terrorists or arms smugglers. He indicated, however, that Libya may have been issued more plates than the number of its diplomats officially posted to Athens.

Haitians Call for Dismissal of Officials

PORT-AU-PRINCE, Haiti (Reuters) — Thousands of demonstrators marched in three Haitian cities Wednesday to demand the dismissal of three ministers. Demonstrators in Cap-Haitien, Gonaïves and Jacmel urged the dismissal Tuesday of Haiti's interior minister, Colonel Williams Regala, a member of the ruling council; Aubelin Jolicoeur, the secretary of state for information; and Leslie Delatour, the finance minister.

The protesters have called for the dismissal and trial of Colonel Regala for alleged abuses under the regimes of former presidents François Duvalier and his son, Jean-Claude. Mr. Jolicoeur caused a brief walk-out at the national television network after he called two reporters "saboteurs" and threatened to spit in their faces. Critics of Mr. Delatour have objected to his plans to close two state-owned companies and sell two other companies to private enterprise.

Tamils Cut Colombo-Jaffna Highway

COLOMBO, Sri Lanka (AP) — Tamil separatist guerrillas cut the main highway between Colombo and Jaffna on Wednesday by blowing up bridges on the road, the government said.

A National Security Ministry spokesman said that six guerrillas were killed and that light combat aircraft and helicopters were used to "chase away the terrorists."

Tamil residents reached by telephone in Jaffna said, however, that the Tamil militants had isolated the Kilinochchi army camp and that heavy fighting continued. They said that at least eight rebels were killed by military aircraft and the casualty toll probably would rise.

Pons Confident on New Caledonia

Sygma

Bernard Pons

PARIS (Reuters) — The French minister for overseas territories expressed confidence Wednesday that the Pacific territory of New Caledonia would vote against independence in a referendum planned for next year.

"New Caledonia is France," said the minister, Bernard Pons. "But it is France because its inhabitants wish it. And it will be France for as long as they want." The Gaullist minister was speaking in the Senate, where he introduced the independence referendum plan.

The Pons plan, which has been criticized by President François Mitterrand, abandons the previous Socialist government's idea of "independence-association" with France in favor of a clear choice.

The island's 62,000 Melanesians are a minority in the 145,000 population. But they control three of the four regions created by the Socialist government.

French Discuss Loan Payment to Iran

TEHRAN (Reuters) — A French delegation is negotiating with the Iranian Finance Ministry on the terms for repayment to Iran of a $1-billion loan, officials said here Wednesday. The talks started Tuesday.

Disagreement over repayment of the loan to the French Atomic Energy Commission, made in 1975 under Shah Mohammed Reza Pahlavi, is one of the main obstacles to improvement of Paris-Tehran relations. The amount of interest due is a key issue.

Charges of Lying in Shoot-Out Trial

SAN RAFAEL, California (UPI) — Stephen M. Bingham, 44, who is on trial for murder and conspiracy in a 1971 prison escape attempt by members of the militant Black Panther organization, accused prosecution witnesses of lying about the uprising.

Mr. Bingham, a lawyer, was representing George Jackson, the Black Panther leader. It was after a meeting of the two men in San Quentin that Jackson and two other inmates set off the riot in an effort to escape.

He also said that a key figure in the case, Vanita Anderson, was never questioned. He contends she gave him a briefcase that he passed on to Jackson not knowing it contained a gun hidden in a tape recorder. Mr. Bingham's defense team has contended that officials knew Jackson was planning a breakout and let the plot materialize in the hope that the convict would be killed. He and five other persons died in the riot.

For the Record

Bonn prosecutors said they had closed a perjury investigation of former Chancellor Willy Brandt without charging him. They said there were no grounds for allegations that he lied to a parliamentary committee investigating the Flick influence-peddling affair. *(AP)*

Former Prime Minister Bulent Ecevit of Turkey is to be prosecuted for alleged breach of a ban on his involvement in party politics, a Ankara law officer said Wednesday. *(Reuters)*

Soviet Journalist Criticizes Jamming By Moscow of U.S. Radio Programs

Washington Post Service

WASHINGTON — Electronic jamming of Radio Liberty and Radio Free Europe by the Soviet Union is "counterproductive" because "it attracts interest to something that is not all that interesting," according to the Soviet journalist Vladimir Posner.

The Soviet Union routinely jams many Western broadcasts.

Mr. Posner, appearing Tuesday before a sometimes hostile audience of several hundred people at the conservative American Enterprise Institute, said he was speaking personally and not as a spokesman of the Soviet government.

"I feel that jamming is counterproductive," he said. "I also feel that the kinds of broadcasts that are being done by Radio Liberty and Radio Free Europe are subversive openly."

Mr. Posner, who said he was in the United States to help arrange a televised exchange between citizens of Boston and Leningrad on June 22, has appeared recently on television interview programs.

Mr. Posner said that before he can appear on U.S. broadcasts, he must receive permission from Gosteleradio, the state Television and Radio Committee. But, he said, "I have never been briefed by anybody, and therefore that is why I say consistently that I am not an agent of the government."

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Europe must unite for justice. Germany, France and Portugal have already introduced a levy on the sale of blank tapes as a royalty payment for those whose work is copied. Spain, Holland and Britain have expressed support for the principle, and the EEC commission will shortly publish its proposal on the royalty issue.

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The U.S. Video Generation: 'Images, Impressions Are What Count; Not Words'

By Margot Hornblower
Washington Post Service

NEW YORK — The age of skepticism is nigh — nowhere more clearly than among the nation's youth.

By high school graduation, the typical American has viewed an average of half a million television commercials.

The result is the first saturated video generation: a group of restless, bored and sophisticated young consumers that has sent the $96-billion advertising industry scrambling for new strategies.

"They are pragmatists, as opposed to idealists," said Roger Enrico, president of Pepsi USA. "Maybe it's because they're the television generation, they're numb to marketing pitches. They don't believe everything they see. They can't be conned as easily."

"All the old gambits are off," said Jerry Della Femina, an advertising executive. "The new generation is very smart. They're not our victims. The strategy to reach them is not to try to snow them or manipulate them."

Using the developing techniques of "psychographics" — categorizing people by life styles and values rather than by age, income and geography — Madison Avenue researchers have found differences in the way 18- to 25-year-olds spend their money, in what attracts their attention and in how they think.

This market of 32 million Americans, a prized group because of its high spending, is seen as the audience most responsive to a subtle sell.

It is an audience for which the advertising industry believes, images triumph over words, and music, sex and humor in advertisements are more effective than information.

Young people spend more money than ever before. More of them work part time and full time; more of them do the family grocery shopping; more live at home, and those who marry have fewer children.

Although their number dropped by 5 million in the last decade, teen-agers spent $49.8 billion in 1985. That was roughly the same amount, in constant dollars, as in 1975 but one-third more per capita.

With these high financial stakes, the science of marketing has become more sophisticated.

"You don't sell a product by saying it gives you 23-percent fewer stomach aches," said Robert Pittman, president of MTV, cable television's music station. "You sell through emotional bonding, through images."

Surveys show that half of all 12- to 34-year-olds watch MTV each week. The channel has achieved its remarkable success by catering to a short attention span. It shows music videos — two- to four-minute combinations of rock music and images — 24 hours a day.

"Kids now watch television, listen to the radio and do their homework all at the same time," said Mr. Pittman. "Their thinking is nonlinear. That's why MTV is nonnarrative. Images, sense, impressions are what count; not words."

The trend is evident in political advertising. President Ronald Reagan's widely admired 1985 advertisements, which were filled with images, were created by a team that included Phil Dusenberry.

Mr. Dusenberry also designed the Michael Jackson and Lionel Richie music-video commercials that sent Pepsi-Cola sales sharply higher last year.

Mr. Pittman said that movies that appeal to the 18- to 25-year-old group, such as "Flashdance" and "Footloose," sell "mood and motion." Their favorite TV shows, he said, are fast-paced, paying off every two or three minutes with new action.

If Mr. Reagan appeals to youthful voters, it is not because they share his social outlook, according to market researchers.

"It's dead wrong to say this generation is more conservative," said Peter Kim, 27, a computer expert who taught sociology at New York University and now heads the research team at J. Walter Thompson, a major ad agency.

Mr. Kim said, "Every survey I've seen says their social values are as liberal as their counterparts in the 1960s and more liberal than older groups."

Young men, the surveys indicate, expect their wives to work, and young women take career equality for granted, postponing marriage and children.

"They may not march for the ERA," Mr. Kim said, referring to the proposed amendment to the U.S. Constitution that would prohibit discrimination based on sex, "but 18-year-old women today want it all: job, career and kids."

James Ogilvie, a researcher at SRI International, a firm that pioneered psychographic marketing said, "You can't compare the youth of the 1980s to the 1950s."

"What people do with their time, how they raise children is quite different," Mr. Ogilvie said. "You have the decline of the nuclear family. Approval of premarital sex is way higher than in the 1950s. Attitudes toward war and peace and race relations are far different."

While surveys show that students are more preoccupied with making money, they also show the emergence of an entrepreneurial spirit, a willingness to take risks and a mistrust of institutions and corporations.

A Pepsi commercial shows a youth setting up his own vending business on the beach. In a surrealistic Apple Computer ad, aimed at IBM and the corporate pack mentality, a long line of pin-striped business executives walk like lemmings to the edge of a misty cliff and topple off.

During the economically harder times of the 1970s and early 1980s, advertisers avoided comedy. But now, particularly in commercials aimed at youth, humor has made a comeback.

Joseph T. Plummer, head of research for the advertising firm of Young & Rubicam, sees in many of these ads — humorous, sexually provocative, entrepreneurial, entertaining or emotionally grabbing — one commercial and cultural manifestation of a "profound and enduring change in basic values."

Young people, he said, look for the unusual. He said they are more inner-directed and "value personal expression and creativity and strive for self-actualization."

Mr. Ogilvie echoed these observations, noting the growth of "the experience industry": travel, entertainment, cocaine and evangelical religion. He lumped these things together as evidence that young adults' consumerism is aimed less at buying material things than at trying to learn and experience new sensations.

The J. Walter Thompson agency divides the younger market into the "MTV generation," aged 12 to 19, which is "living in a fast-paced world of sounds and images," and the "baby boomers," aged 21 to 39.

Mr. Kim sees the 18- to 25-year-old group as far different from previous generations.

"They were too young for Woodstock and for the draft," he said, *referring to the 1979 music festival* that became a rallying point for the counter-culture of the late 1960s and early 1970s.

Compulsory military service was ended in the United States in 1972, though since 1980 young men have been required to register with Selective Service.

"Vietnam was a historical event," said Mr. Kim. "The social turmoil of the '60s that was pivotal for their older brothers and sisters is alien to them.

"What makes them unique," he said, "is that they are children of the new technology, the first to grow up with a whole new audio and visual environment, from cable to VCRs to computers."

"It is pivotal," he said "because from an advertising perspective they are different in the way they process information. The strategies for reaching them have to be altered."

Twenty years ago, for example, New York City had four television stations, and viewers would accept 60-second commercials.

Now the city has 37 channels and studies show that more than half the audience routinely deletes ads, switching channels or "zapping" them, eliminating them with VCR remote controls.

The normal ad has shrunk from 60 seconds to 30 seconds, with 15-second commercials becoming more common.

"The audience," Mr. Kim said, "has grown more restless. Their attention span is shrinking. It is hard for them to watch a two-hour feature film from start to finish. But their ability to grasp more bits of information at once has increased."

As a result, advertisements, movies and television shows aimed at a younger market have more "quick cuts," changes in scenery and camera position.

Colors are brighter, the "visuals" more arresting. Commercials made by well-known movie directors with high-tech effects cost up to $1 million to produce.

"You have to give them 25 seconds of entertainment if you want them to listen to five seconds of advertising," said Mr. Della Femina.

In many ads aimed at young adults, the product is barely mentioned, or appears only briefly at the end of the ad.

The 18-minute movie about Mr. Reagan that Mr. Dusenberry produced for the 1984 convention had no narrator.

At a recent news conference, Pepsi announced a new $50-million ad campaign with Michael Jackson. The reclusive singing star put in an appearance, but, in the spirit of subtle sell, the word "Pepsi" never passed his lips.

Mr. Enrico said he would not dream of asking Mr. Jackson — who shuns beverages with caffeine — to drink the stuff on camera.

"People would say 'Hey, give me a break,'" Mr. Enrico said.

"Endorsements are old hat," he said, "We're trying to captivate people so they won't switch channels or zap the commercial. Our notion is entertainment. It's not that Pepsi is Michael Jackson's favorite soft drink."

Born in the '60s
The Age of Skepticism
Last of three articles

'It's dead wrong to say this generation is more conservative.'
— Peter Kim,
an advertising agency researcher

HUNGER STRIKE ENDS — Edén Pastora Gómez, the Nicaraguan rebel leader who gave up his fight May 16, ending a five-day hunger strike in a Costa Rican jail. He was granted political asylum on condition that he halt hostilities against Nicaragua while residing in Costa Rica. Mr. Pastora, who was to be freed Wednesday, began the strike to press Costa Rica for a fast decision.

Salvador Rebels Agree To Resume Peace Talks

By James LeMoyne
New York Times Service

SAN SALVADOR — The Salvadoran leftist guerrilla movement has accepted an offer to reopen peace talks with the government and said its most senior commanders would attend the meeting.

The Farabundo Martí National Liberation Front and its political arm, the Democratic Revolutionary Front, and said in an official communiqué Tuesday that they would send a four-member delegation to the talks.

The rebels said they wanted the meeting to be held in San Salvador.

They said they would be represented by their two top military commanders, Joaquin Villalobos and Leonel González, as well as by the two leading civilian politicians in the rebel alliance, Guillermo Ungo and Rubén Zamora.

The rebel communiqué added that both sides should make public their negotiating positions before the talks are held.

The rebels' statement asserted that President José Napoléon Duarte was "trying to confuse the people and the world by sustaining in his public speeches the idea of a dialogue oriented to the Farabundo Martí National Liberation Front giving up its guns."

The rebels have refused to lay down their arms as a condition for ending the six-year civil war in El Salvador.

The talks were offered Sunday in a speech by Mr. Duarte. He proposed that they begin in July or August.

Mr. Villalobos is the head of the People's Revolutionary Army and Mr. González is the head of the Popular Liberation Front. The organizations are the two largest armed rebel groups in the country.

If the two rebel commanders appear at the talks, the occasion will afford the first glimpse most Salvadorans have had of them.

Rebel and government officials met twice in 1984, but their talks have been suspended for 19 months. Each side has accused the other of intransigence and bad faith.

The rebels have demanded a share of power. The government has refused, telling them they must form a political party and run in elections.

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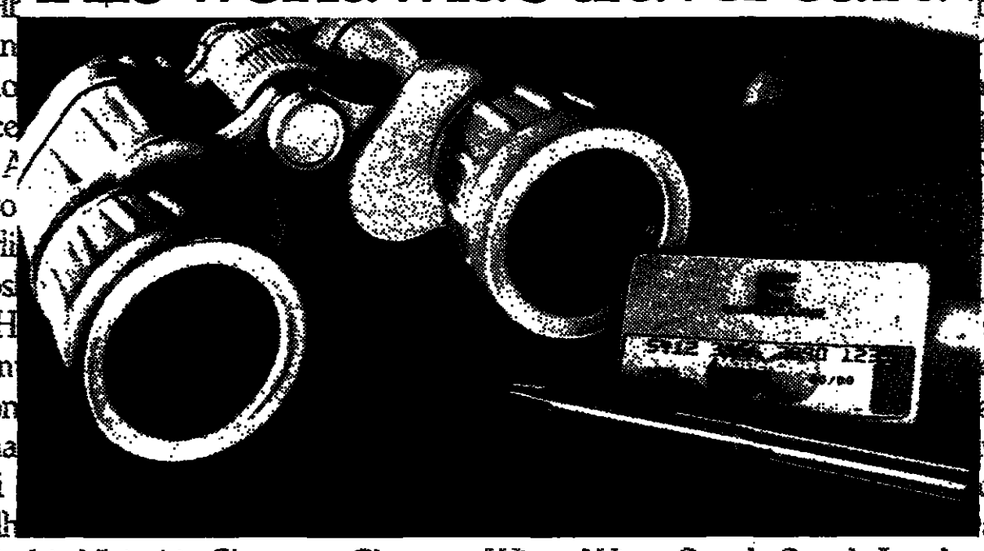

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HILTON INTERNATIONAL EUROPE

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

OPINION

More Aid for Philippines

There is more to foreign aid than money. When the Reagan administration went to the Senate Foreign Relations Committee on Tuesday with its request for aid to the Philippines, the chairman, Richard Lugar, pressed it to ask for more. What is needed, he said, is "a demonstration of political support — a dramatic demonstration."

The Philippines has been through a long and drastic economic decline. It is imperative to get incomes rising again. That will take aid and investment. Americans sometimes ask with exasperation why other countries do not help. They do. The World Bank and the Asian Development Bank, both representing many governments, are each contributing more than the United States. Japan is contributing as much. But the development banks were designed to be politically neutral, and Japan, knowing that recollections of World War II are still vivid, chooses to be discreet. Because of a long and close association, the United States is the leading advocate of Philippine democracy and support from the United States has a meaning that money from other donors cannot convey. That is a reality in which Americans ought to take great pride.

But with the current budget-cutting discipline and the Gramm-Rudman-Hollings Act, the administration and Congress have nailed themselves into a very tight box. In most areas of the budget these reductions are tolerable, and in many they are positively desirable. It is essential to get the deficits down. But the method is to set limits for each category of spending. For foreign aid, that works out badly.

If the aid to the Philippines is to be increased, what aid will be further reduced to compensate for it? One-third of the foreign aid budget is economic and military support for Israel and Egypt. Some of the remainder is fixed payments for military bases abroad. Some of it is shipments of farm surpluses. Only about one-fourth of the foreign aid budget is economic development assistance. When Congress cuts foreign aid — as it apparently intends to do this year — the impact falls disproportionately on development assistance.

American aid to the Philippines ought to be expanded. President Corazon Aquino's new government is going through a dangerous passage, with armed Communist insurgents on one side and on the other the deposed Ferdinand Marcos working the telephones from Hawaii. Foreign aid needs to be increased this year, even at the expense of other parts of the budget. The Philippines is not the only country in which the United States has urgent interests and special responsibilities.

— THE WASHINGTON POST.

Only Talk on South Africa

Secretary of State George Shultz seems to understand that the hour is late for peaceful change in South Africa. For a year he has been denouncing apartheid as "evil" and "repugnant." Now he adds a passionate warning that it imposes an intolerable "moral, strategic, economic and political" burden on Western interests.

The secretary's passion is a welcome antidote to the apologias with which the administration used to greet Pretoria's half-hearted gestures of reform. Mr. Shultz says apartheid "must go soon" and now is very clear about what he wants in its place: a "democracy that knows no color," that offers equal protection to blacks and whites and that is negotiated between them.

But the secretary does not stop there. America's duty is to remain "constructively engaged," he says. Serious sanctions or disinvestment would cause "economic destruction" and only make a bad situation worse. What does that mean? It can mean only that, in Mr. Shultz's view, white supremacists in Pretoria are ready and able to preserve their political monopoly even at the cost of their prosperity. And if that is so, how does he propose to uphold the great moral and strategic interests he sees at risk?

Like most thoughtful people, he is not sure. He thinks economic disintegration would invite violent revolution — and a radical, equally oppressive black regime. He wants the whites to share power with blacks while there is still time, yet seems daily less persuaded that they will do so.

It is a dilemma, but not as paralyzing as Mr. Shultz implies. If Pretoria will not give black leaders the stature they deserve, the United States could confer it, by recognizing their political organizations and openly supporting their political striving.

That course is now urged by the very business leaders Mr. Shultz wants to keep constructively engaged in South Africa. The heads of the main U.S. companies there, supported by many South African businesses, are asking for legalization of the African National Congress and negotiation with its jailed and exiled leaders. The regime contends that most of them favor violence and a Communist government, but that is not the judgment of knowledgeable capitalists. Inexplicably, Mr. Shultz and his diplomats won't even talk to these black leaders to draw their own conclusion.

Mr. Shultz is right to be alarmed, but words will not suffice where even economic pressure seems inadequate. To show effective sympathy for South Africa's blacks, he has to constructively engage them.

— THE NEW YORK TIMES.

Other Comment

Waldheim Should Drop Out

The presidential election campaign in what until recently was the bucolic backwater of Austria has become, in its closing stages, one of the nastiest and most disturbing in postwar Europe. The immediate cause is the tidal wave of allegations against the front-runner, Dr. Kurt Waldheim, that he played an active role in the Jewish holocaust. Dr. Waldheim, who served two terms as UN secretary-general without a whisper of any such charge, helped in advance to stoke up the controversy by fudging (to put it no more strongly) his war career in an autobiography last year. When the World Jewish Congress opened up its campaign against him, he helped those who accused him of covering up by changing his accounts of the controversial years.

The most violent public attack so far was made in London this week by Edgar Bronfman, the president of the World Jewish Congress, who said that if this "amoral and unrepentant liar" won the second round on Sunday his victory would be "an act of symbolic amnesty for the holocaust." Mr. Bronfman then went on to advance the curious argument that "whether Waldheim wins or not is irrelevant." It was what he symbolized that mattered, and this, according to Mr. Bronfman, was that "there was no distinction between aggressors and victims" in the moral struggle of World War II. If the result is irrelevant, what is the purpose of the congress's campaign? And does the worldwide furor over his candidacy support the thesis that there is no perceived difference between killer and victim?

Contrast this contribution to the debate with that made by Dr. Simon Wiesenthal two weeks earlier. The indefatigable Nazi-hunter, an Austrian Jew who survived the death-camps, accused the congress of stirring up anti-Semitism. Emphasizing that he held no brief for Dr. Waldheim and that he regarded the charges as "serious," he accused the congress of undoing years of reconciliation work between young Austrians and Jews, of closing the gap between youth and the Nazi generation. Reports from Austria seem to confirm Dr. Wiesenthal's diagnosis. Kurt Steyrer, Mr. Waldheim's opponent, has received letters accusing him of taking part in a Jewish plot and has been subjected to a smear campaign alleging moral turpitude.

Thus the campaign against Dr. Waldheim already has rebounded on those who started it, as well as on the residual Jewish community in Austria. If there is conclusive evidence, of courtroom quality, that Mr. Waldheim is a war criminal and not an "opportunist," as Dr. Wiesenthal describes him, let those who have so far proved only that he is a suspect put up or shut up. But so long as the possibility exists that Austria could find itself with a president wanted for alleged complicity in genocide, Dr. Waldheim should not be elected, or preferably not stand. His plight is at least partly and possibly wholly of his own making.

— The Guardian (London).

Playing Chicken With Canada

President Reagan warns that it is dangerous "to play a game of chicken with our trading partners" even as he has taken aim at the Canadian timber industry. His puzzling decision to impose a stiff tariff on Canadian cedar shingles and siding to try to help the ailing U.S. lumber industry threatens to set off a trade war with Canada. That is a war that neither country can afford.

Mr. Reagan, who is not usually on the side of the protectionists, should reconsider his ill-advised tariff decision. Consistency may be the hobgoblin of small minds, but in this case a touch of it would have been best.

— Los Angeles Times.

The Great Muffin War

Up in Massachusetts, where the American Revolution and other troubles got their start, a group of fourth-graders recently presented to Governor Dukakis a bill that proposes to designate an Official State Muffin, their preference being corn. New Englanders may be able to work out this sort of thing peacefully, but in Texas, where we hold opinions very firmly, our most combative energies are loosed by the silliest debates. Furthermore, Texans will be unable to stand by and let Massachusetts become the only state with an official muffin. It can be only a matter of days before Austin is resounding with oratorical excess as champions of the fritter, the tortilla, the hush puppy and heaven-knows-what-else vie for the honor of state champion.

— The Dallas Morning News.

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Bad Trade Relations Are Endangering All

By William Pfaff

MADRID — The trade bill passed May 22 by the House of Representatives expressed the feelings of victimization and resentment that now rule on the American side of the international trade dispute — as if the United States were being backed to the wall by its industrial rivals, and the U.S. deficit were the responsibility of foreigners.

A new remedy also made this apparent: that of unilateral dictation by the United States of what others are to do. The bill mandates a 10-percent annual reduction in the Japanese, Taiwanese and West German trade surpluses with the United States, would impose U.S.-approved labor standards on foreign factories and extend the reach of American law to foreign exporters, and requires U.S. government action in currency markets to keep the dollar "competitive."

Few seriously defend the bill, even among those who voted for it. It is the kind of legislation that gives democracy a bad name. The White House is fighting it. Whatever bill eventually emerges from the Senate-House conference, it certainly will not be as awful as this one — though it may nonetheless be pretty awful. What is important about this bill is the evidence it gives of how dangerously bad trade relations have now become.

Things have been bad before, certainly, but then parliaments as well as governments took it for granted that while their disputes with other countries were important, they were subordinate to the primary interest that all had in protecting free trade. That is the way it still is in the European Community. People complain that bringing Spain and Portugal into the EC worsened the community's trade and agricultural conflicts. But everyone also understands that the community has to create a fully open market as quickly as possible if the individual countries expect to remain economically competitive.

Politicians do not survive if the economies over which they preside go bust, so at the same time that EC leaders all privately conspire to forge the compromises indispensable to keeping them all in office.

This belief in hanging together is increasingly missing in the U.S.-Japanese-European relationship. No one individually is to blame. The Japanese have provoked a level of resentment in the United States and Western Europe that now frightens them, but they did so out of innocent assumptions about their own and other countries that lie deep in the national psyche. Americans are acting as if they expect others to pay for their own culpable failure to stay competitive in electronics, automobiles and too many other products, and the Europeans are acting as if they have a right to expect others to pay for the social benefits their workers enjoy and U.S. and Japanese workers lack.

All this ought to be negotiable. Increasingly, one senses that the will to compromise is fading, replaced increasingly by a take-it-or-leave-it attitude. Popular prejudices and resentments of the kind that have built up behind the U.S. trade bill are cynically welcomed because they are thought of as a bargaining lever.

The situation is influenced for the worse by the fact that new trade negotiations are under discussion. A preparatory committee was named last year to develop recommendations for a new GATT round of trade liberalization. No one now will offer concessions that might be bargained for something of value later on.

But there is in the air a willingness to push things a little too far. The Japanese are very anxious. Prime Minister Yasuhiro Nakasone commissioned a report last October on changes that ought to be made in Japan to accommodate trade pressures, the so-called Maekawa Report, published in April. It recommended that the Japanese work less, spend more on pleasure, housing and public works, buy more from abroad and in other ways try to be less Japanese. Whether this will work is problematical. Japanese businessmen have been severely shocked by the last six months' rise in the yen, welcomed with such relief in the rest of the world. That is one reason Mr. Nakasone has just found it necessary to call early elections.

Western Europe seems for the moment less concerned; about half of its exports stay within the EC and much of the rest goes to the Middle East and the Third World. Overall, Europeans depend more on exports than do the United States or Japan, but when their trade with one another is factored out they are in roughly the same situation. West Germany is the most exposed to U.S. protectionism.

U.S. trade professionals and the kind of people who go to international conferences recognize the danger being courted, that ordinary U.S. businessmen and consumers — and the congressmen who represent them — still largely operate on a belief that the United States, fundamentally, is invulnerable, and that it is the rest who will have to give way in the end.

The Japanese, on the other hand, just because they are deeply convinced of their vulnerability, resist concessions as mortally threatening. The result risks becoming a trilateral confrontation in which everyone has taken up the negotiating position characterized by the late Herman Kahn as: "One of us has to be reasonable, and it's not going to be me."

International Herald Tribune.
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Japan's Problem Is Bigger Than Just Its Surplus

By Frank B. Gibney

LOS ANGELES — While Congress tries its best to start a trade war with Japan, reasoning people in both Washington and Tokyo have been working on the two big factors that have made the $50-billion trade imbalance between Japan and the United States so gross: the strong U.S. dollar and the outmoded reliance of Japan on export-led growth to drive its huge economy.

The strong dollar problem has, at least for the moment, been solved. But can Japan turn to domestic spending and investment to free its economy from past piggy-backing dependence on exports, principally to the United States?

The problem is more than economic. It involves turning a society of frugal savers into a more individually conscious society with an urge to spend on housing, leisure opportunities and better social infrastructures.

Prime Minister Yasuhiro Nakasone has taken a strong lead in pushing the emphasis to a consumer-demand economy. He already has done more than any previous Japanese leader to encourage imports and cut some of the bureaucratic and business restrictions that have worked to keep foreign companies and their products out of Japan.

In this effort, Japan's "presidential" prime minister, as they call him, has tried to lead his country rather than play the more traditional role of a cautious power broker. As he told his friend President Ronald Reagan early this spring: "Structural adjustment is no easy task in any country. But Japan must make the kind that occurs once in a century."

Costly distributors, rickety mom-and-pop stores and the lord-vassal relationship between big companies and their suppliers have been part of the social adhesive holding Japan together.

Indeed, for at least 150 years the protected network of costly distributors, the rickety mom-and-pop stores and the lord-vassal relationship between big companies and their suppliers have been part of the social adhesive that has held Japan together. To the Japanese, all prosperity is precarious, a struggling nation must export or die and foreigners are to be emulated and caught up with but fundamentally not trusted.

Thus the prime minister has received less than enthusiastic support at home for his initiatives to stimulate local economic investment. Just two weeks after his handpicked advisory council issued the Maekawa Report, a blueprint for increasing domestic demand, a Foreign Office spokesman denied that the report was government policy. Even now most of Japan's export-oriented businessmen have shown little zeal for weakening their bridgeheads.

Nonetheless, the move to expand domestic demand in Japan has quietly gained momentum. Many opinion leaders agree that Japan's tax structure, among other things, must be changed to encourage individuals to invest rather than simply save. At present, interest from savings is not taxed. But no deductions are given for home-mortgage payments or interest on installment debt. Banks and companies tap this reservoir of personal savings (18 percent of disposable income, compared with barely 6 percent in the United States) to invest overseas or to export — and neglect investment at home.

Housing costs in Japan remain prohibitively high. Public-works expenditure lags; sewage disposal, for one thing, is scandalously defective. Tax rewards for domestic investment are conspicuously lacking. Wages have been held down in the interests of greater productivity. In the land where the middleman is king, savings in energy costs have yet to be passed on to the consumer. In short, the world's new economic superpower retains much of the attitude of an economic garrison state, even if it does not look like one.

It is now time, Mr. Nakasone is telling his countrymen, to take off the economic armor and to start spending more like installment-happy Americans do. Some Japanese are beginning to listen. The 30-and-under generation is displaying a flair for consumption. Reared in affluence, its members are potential big spenders.

As the economist Akio Sashida wrote recently: "The new Japanese feel no qualms about borrowing or using credit ... they are the first generation that knows how to use leisure time." With the spread of the five-day work week and the emergence of two-income families, new standards of consumption are being created. It isn't enough just to be "money rich" in Japan.

Thus the move to stimulate domestic demand and investment will be fueled by an increasingly visible change of mood and interests among younger Japanese — a change long anticipated but only now materializing. The barriers to free communication and free trade in Japan are going down. And with them the Japanese-U.S. trade imbalance will decrease.

That is, it will decrease if American business will pay more attention to productivity and less to unproductive mergers and unfriendly takeovers, if the United States can get the cost of capital investment down and cease emphasizing consumption at the expense of long-term capital investment. For if the Japanese must move toward a consumer society, the Americans must try to remember a little something about production.

The writer is president of the Pacific Basin Institute in Santa Barbara, California, and author of "Japan, the Fragile Superpower." He contributed this to the Los Angeles Times.

U.S. Hypocrisy in Preaching Democracy

By Murat W. Williams

MADISON MILLS, Virginia — From the State Department to Capitol Hill, a preachy chorus in Washington wearies the world with a patronizing call for "democratic elections" in other countries — especially in those whose regimes do not please the United States. The virtue of U.S.-style democratic elections, like the virtue of U.S. weapons and military training, is translated into the summum bonum of its foreign policy.

But almost touching the city of Washington is a congressional district where an impending election promises to be like those seen in Eastern Europe. Only one name will appear on the ballot although, ironically, it is the district of James Madison and Thomas Jefferson, the natal district of Henry Clay. A freshman Republican congressman will stand alone on the ballot. Many Democratic voters might prefer someone else, but they have no choice, even though as Democrats they won the gubernatorial election in the district in 1985.

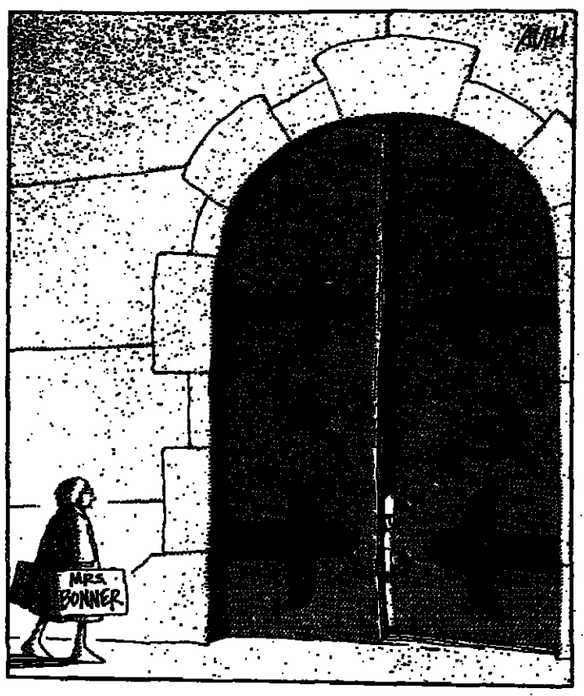
To hear the local Democratic district chairman talk, one might think the election is up for sale. He says he cannot field a candidate unless he has a half-million dollars. If he had it, he implies, he could buy the consultants, advertisements and political image-makers that could win the seat. He does not have the money, so the half-million people of the Seventh District of Virginia have no more voice in choosing a representative than do the citizens of Romania or Albania.

This is not a unique happening. The shame of it is that it happens in the district of the main framers of the Constitution, the district where George Washington often lived and worked. And it happens in a year when his good advice needs most urgently to reach the ears of Americans. He warned that an "overgrown" military was inauspicious to liberty. He said that "permanent, inveterate antipathies to particular nations" must be excluded. He said it was ungenerous to future generations to pass on debts that we ourselves ought to bear. But strong advice does not suit makers of smooth images.

Once it was the poll tax that disfranchised U.S. voters and skewed elections. Now it is the high cost of image-making. One is as corrupting as the other. The poll tax has disposed of. Now, bold candidates can reject the professional image-makers. If candidates will say what needs to be said, their personas will need no cosmetics or voice modulation. The people's ears are sharper than one thinks. They can hear words of reason — especially in times of crisis, even through the costly mufflers of the "political consultants."

If a seat in congress must in effect be bought, we should restrain our preachments about democracy and stop posing as tutor to nations that we think are still sitting in darkness.

The writer, a former U.S. ambassador to El Salvador, retired from the Foreign Service in 1965 and was the Democratic nominee for Congress from the Seventh District of Virginia in 1970 and 1972. He contributed this comment to The New York Times.



Fending Off Insolvency At the UN

By Harvey J. Feldman

NEW YORK — It is interesting and sad that the United Nations, which the United States helped to found 40 years ago, is enduring a financial crisis that threatens to shut it down, and nobody seems much to care. Indeed, the fact that the General Assembly had to be called back into special session raised only the briefest mention in New York and Washington, and nothing at all most everywhere else.

The reason for the crisis is plain: a number of countries have not paid their bills. The leading debtors are the Soviet Union and East European nations, which together owe $113.6 million, and the United States, which owes $253.5 million. These debts account for two-thirds of the outstanding arrears of $542 million.

As far as the United States is concerned, the problem is political, not fiscal. Most Americans, including members of Congress, equate the United Nations with the General Assembly and see it as a collection of mountebanks or worse, hurling invective at Uncle Sam while running up bills at his expense and making a scapegoat of Israel.

Over the years, the General Assembly has indeed become an instrument of irresponsibility, particularly fiscal irresponsibility. One of the more egregious examples was its decision, during the height of the African famine, to spend $70 million on a new conference center in Ethiopia. But it is also the General Assembly which adopted the Declaration on the Elimination of All Forms of Religious Intolerance, as well as most of the other key instruments for human rights, and which debates torture and holds those governments practicing it up to universal scorn.

In any event, the General Assembly is only one part of a complex system, and neither the largest nor the most important part. Sometimes it seems to be the price one has to pay for the rest of the system — for the Security Council, which, in the exercise of its peacekeeping function, has dispatched troops to keep antagonists apart in Cyprus, Kashmir, Lebanon and elsewhere; for the World Health Organization, which essentially has eliminated smallpox from the planet; for the constellation of specialized agencies; for the High Commissioner for Refugees, caring for more than 10 million people worldwide; for the International Atomic Energy Agency, so much in the news since Chernobyl.

The system as a whole seems worth saving. The question is how.

Of the $250 million owed by the United States, $40 million is a hangover from last year, and $210 million — the price of two B-1 bombers — is this year's bill. Congress, through an amendment sponsored by Senator Nancy L. Kassebaum, Republican of Kansas, has instructed the Reagan administration to withhold about $80 million of that unless the United Nations switches the system by which budgets are approved from a two-thirds majority to one in which votes on budgetary issues are weighted according to contribution.

To be sure, the present arrangement, under which a two-thirds majority can be put together by states that collectively pay less than 15 percent of the budget, is a sham. But the problem is that the two-thirds formula is enshrined in the UN Charter. Senator Kassebaum is attempting to overturn a treaty by an amendment to a domestic appropriations bill — not exactly the way a great power ought to do things.

Nevertheless, the amendment, along with Gramm-Rudman-Hollings legislation, has done one thing marvelously well: it has caught the attention of the United Nations' members. The United States now should press for a total revamping of the scale of assessment, so that no country would pay less than one-half of one percent next year, and no country more than 20 percent (thus cutting the United States back from its current 25 percent). The higher tab may heighten the responsibility of countries now getting something close to a free ride.

Will this transform the General Assembly into the kind of mature, deliberative body we would like it to be? No, but then neither is the U.S. Congress. And Congress has had 200 years of working at it.

Basically, what it comes down to is this: Is the United Nations system, even including the General Assembly, worth the price of two B-1 bombers to us? I think the answer is yes.

The writer is vice president of the Institute for East-West Security Studies. He contributed this comment to The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Taft Pushes Trade

CHICAGO — In an address to the Western Economic Society [on June 3], President W.H. Taft said he hopes that the Reciprocity Bill [on U.S.-Canadian trade] will be brought before the Senate, possibly without amendment, some time during the next week. He is hopeful that the bill will pass, and when it does and has been agreed upon in the Canadian Parliament, that its actual operation will be so beneficial to both countries that the arguments against it will be remembered only as "exaggerated instances of a perverted imagination." [The House recently had approved the bill.] President Taft blamed the lumber and paper interests as being the greatest opponents of reciprocity, and did not mince matters by attributing to their influence much of the antagonism to the treaty.

1936: No Tribune Today

PARIS — The New York Herald Tribune was not published on June 5, because of the general strike in the major cities of France. Workers' demands under negotiation with employers included wage increases, a 40-hour week and 2-week paid vacations. The strike, which began May 26, had swelled to include 350,000 workers in the Paris area alone, and took the form of a mass "stay-in" in which factories were occupied around the clock. Léon Blum, the new prime minister, whose Front Populaire had won a majority in the recent elections, appealed to the country to remain calm and took steps to assure that there would be no curtailment of food supplies, electricity and gas. The strike [illegible] paper transport [illegible] all newsstands in the [illegible]

OPINION

Criminal Business: Policing The Sharks of Wall Street

By William Safire

NEW YORK — "The 'arbs' used to perform a stabilizing function," says Felix Rohatyn, the investment banker who recently helped merge Sperry and Burroughs, two of the world's largest computer manufacturers. "But now, more often they're destabilizers."

The arbitrageurs, who used to smooth out markets by buying or selling to take advantage of price discrepancies, now are considered the sharks of Wall Street. Traveling with corporate raiders, wheeler-dealer lawyers and junk-bond-for-a-fee bankers, they help satisfy the egos of businessmen who want to merge their way to empire or leverage their companies out of public ownership.

Some of the above apparently are crooks. The scandals that are soon to shake the financial community and discredit some of its highest fliers are not only about *cutting* ethical corners. They concern stealing money.

The laws against insider trading, based on Rule 10b-5 of the Securities and Exchange Commission, address a clear-cut form of theft. If you are an "insider" — that is, privy by virtue of your position to nonpublic information that enhances the value of a security — and you buy stock from some uninformed investor, you've stolen his profit.

Who are the insiders? In a merger, they are the corporate executives, lawyers, accountants and bankers working on the deal, supplemented by parasites and finders drawn up in vast cumbrous array, all in a position to know how a bundle could be made.

Lately, they have been targets of the criminal cases brought under 10b-5. Since 1980, there have been 50 prosecutions, 39 since January, the latest this week. But some of the smarter financiers *may have been working a new angle.* Suppose you work in the mergers and acquisitions department of an investment bank. You are an insider in a dozen deals a year. Trade in those securities? Not on your life — you know how easy it is for computers to trace the trades. But you have two friends in similar positions in a law firm and another bank, and they know a couple of "arbs."

So the five of you form a ring. You informally swap inside information and buy the stocks of the deals being made by your other ring members. Maybe you find some member of your business school class to be the coordinator, lend him some money, show him the best overseas banks for moving and laundering money. That is the conspiracy I think U.S. Attorney Rudolph Giuliani is attempting to crack right now, with the help of an elite corps of postal inspectors under John Slavinski. His progress has many prestigious firms on Wall Street sweating little blue chips.

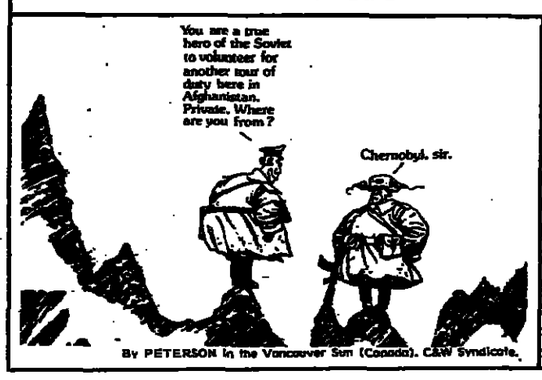
Dennis Levine, 33, a managing director of Drexel Burnham Lambert, has been charged with insider trading in a civil complaint, and arrested on the criminal charge of obstruction of justice. Mr. Levine's arrest late in the day meant he had to spend a night in jail, learning what life there was like. He has just been indicted, but among the questions being asked by nervous Wall Streeters are: *How* come most of the cases the SEC cited are not Drexel Burnham deals? Who provided Mr. Levine with capital in the first place? Is there a ring of corrupt arbs, lawyers and bankers? Is Mr. Levine part of it, and if the deal-maker is offered a deal, will he sing? If so, and an *odor of corruption emanates* from New York, what would this do to public confidence in financial institutions? Would Congress hold hearings on the need for new regulation?

Mr. Giuliani is commendably tight-lipped about specific grand juries, but tells me "the group abusing its trust is capable of being deterred." Its members will calculate the odds of being caught and going to jail, and unlike other addicts and muggers, may turn honest if the bottom line is too likely the slammer.

Let's hope so, because the unchecked growth of larceny on the fast track poses a danger to the U.S. economy. One day, a downturn will come and a junk bond will default, starting a race to dump the junk. And, as Mr. Rohatyn warns, "Bubbles always burst."

At such a time, on the thin edge of panic, when confidence in the financial system itself is such a national asset, it will not help to have *millions of investors* convinced that Wall Street is run by a gang of thieves.

The New York Times.



By PETERSON in the Vancouver Sun (Canada). CAW Syndicate.

By KAL in The Economist (London). CAW Syndicate.

On the Shelf or on the Make? The Fate of Single Women

By Ellen Goodman

BOSTON — This is getting spooky. One week the cover of Newsweek offers up the shade of Richard Nixon. The next week it resurrects the specter of old maidhood. The only news from the Great Media Beyond that could terrify more readers would be an amalgam of both stories: "Richard Nixon's Back and He Wants to Marry YOU!"

The tale of the unmarrying maidens came wrapped inside a chart showing

MEANWHILE

the slim prospects for any college graduate to get to the altar after age 30. A never-married 30-year-old in the United States has only a 20 percent chance of wedding. By 35, she has only a 5-percent chance. And by 40 (this is Newsweek's phrase, not mine), she is "more likely to be killed by a terrorist."

These figures come from a demographic study that entered the media bloodstream like a hit of caffeine right around Valentine's Day. The message sent a lot of 35-year-old hearts into instant arrhythmia. Now in its second life, the study has reappeared not only in the newsweekly but in an ABC nightly news report, and a Wall Street Journal front-page feature. Stop it before it kills again.

The Journal had the decency and balance to report that more men than women were still single in their 30s and likely to remain so. But, collectively, the pieces did little to dispel the belief that all the "good men" were taken. As a Berkeley sociologist told Newsweek, "When you look at men who don't marry, you're often looking at the bottom of the barrel. When you look at the women who don't marry, you're looking at the cream of the crop."

As a married woman I find that vaguely insulting, but never mind. The chart readers are too reactionary for my taste. How gleefully they warn that an uppity woman may be overqualified for the marriage market. Reach too high, young lady, and you will end up in the stratosphere of slim pickings!

The scare stories about Success and *the Single Woman* do not answer the most interesting questions. They do not say, for example, whether success makes a 35-year-old unmarriageable material or whether staying unmarried is what made her successful.

If the top ranks of female achievers are disproportionately single, it may be because marriage has not, in general, boosted a woman's career. When a young woman marries, she is less likely to get a helpmate than a second job; the opposite has been true for men. The sense that marriage may come with a lopsided work load has not escaped the notice of ambitious young women. From what they've seen of it, marriage is more likely to siphon than save energy.

Those college graduates who want careers and families — and almost all do — think they can solve the problem by postponing it. In the new chronology, putting first things first means putting the career first. Many figure that once their work life is launched, they can switch gears into a more wifely mode. But I know very few careers, male or female, that get "established" and stay there, like a well-trained dog, while your attention wanders. Anyone who waits for work to settle down, waits for a placid *moment to walk down an aisle*, is heading for the skinny end of the chart. Marriage isn't a second career.

There is nothing wrong with the stretched-out life plan. I am all in favor of growing up before hitching up. With the current divorce rates, a lot of us hope that later marriages have more sticking power. But sooner or later a lot of unmarrieds realize they want the same things at 35 they wanted at 25: A marriage that offers more than a labor-intensive way of avoiding loneliness.

This rash of articles make the post-30 crowd of single women sound simultaneously desperate and picky. In fact, young women no longer have to marry or burn, let alone starve. If they are as choosy as the charts suggest, it is because there are choices, even second-best choices.

Marriage, when it works, is a mutual-aid society. Two people can make life a *little less rocky than one. But when it is a* bust? I have a chart that shows the highest rates of depression are among unhappily married women. It is scary stuff. It ought to be put it on a cover.

Washington Post Writers Group.

LETTERS TO THE EDITOR

Ethiopia and Its Neighbor

It was with utter astonishment and rage that I read The New York Times editorial "Sudan Deserves Help" (*May 13*). While I absolutely agree with you that Sudan should be assisted in its efforts to forestall its drought problem and to build its economy, I cannot agree with the tendentious reference that Ethiopia and Libya will enjoy "undue influence in Sudanese affairs" if the civil war were to last longer.

Ethiopia has, time and again, stated that it not only wishes to live in peace with its neighbors but has a strong desire to improve relations. As countries sharing a common border and somewhat similar historical legacies, Ethiopia and Sudan have experienced some ups and downs in their long history of relationship. I must assure you, however, that Ethiopian-Sudanese relations have often been more positive than the Western press tends to project.

To present Ethiopia as Sudan's perennial enemy and to use this fallacious claim as a condition for Washington's aid to Khartoum is an open provocation. *It is an attempt no less harmful* than the outdated colonial scheme of "divide and rule."

MAIREGU BEZABIH,
Press Counsellor.
Ethiopian Permanent Mission
to the UN Office, Geneva.

Israel as a U.S. Annex

I read William Pfaff's opinion column "Does Israel Want to Be an Annex?" (*May 27*) with great interest, and have a few comments. First, the danger of Israel becoming "a low-technology supplier of low-wage goods to the American market," as former U.S. Ambassador Dean Brown seems to think, tends to zero. Israel is not a low-wage environment. All you have to do is study the content of its industrial exports, some 40 percent of which derive from advanced technology.

Second, it is not so much a case of Israel's hostility to the Soviet Union deriving from Soviet support for the Arab case, as Mr. Pfaff seems to think. Rather, it is more a case of Soviet hostility to Israel being rooted in a consistent, extreme anti-Zionist position, based on *both internal political and external geo*-political considerations.

Finally, for better or for worse, whether recognized or ignored as a fact of geopolitical life, Israel has been a bulwark of U.S. strategy and posture in the Middle East ever since the 1950s. Had it not been for Israel and the Israel Defense Forces, the Soviet Union would most probably have extended its sphere of direct influence all the way to the East bank of the Suez Canal long ago.

DAN TOLKOWSKY.
Tel Aviv.

Dark Clouds Over Europe

Regarding the opinion column "Some Are Afraid to Come, Some Are Afraid to Go" (May 26):

In reporting safety statistics, Geoff Lawler completely misses the point *about Americans not traveling to Eu*rope this summer. Americans are not so much scared as fed up with Europe, France and Italy in particular, for its unhelpful wishy-washiness on state-sponsored terrorism. Combine that with the *effects of Chernobyl, real and imag*ined, and with a poor dollar exchange rate, and you have a lot of people who are quite happy to give trans-Atlantic travel a miss this summer. American tourists, for years the butt of European ridicule, will find better ways to spend their dollars this season. Even those who feel they "owe": a visit *to Britain alone* are probably better off, as Mr. Lawler suggests, staying home with a stock of beer, a few good videos and the phone unplugged. The unpleasant alternative is spending hard-earned cash on over-priced London hotels renowned only for their horrific service.

ROBERT ERINGER.
London.

Famous Austrians

I was disturbed although not altogether surprised by the report: "Anti-Semitism Roils Debate of Austrian Campaign" (*May 26*). Reading some of the comments of the supporters of Kurt Waldheim, I cannot help but compare them to the comments made by the followers of another famous Austrian, long since dead. To me the most vivid things ever said about the Nazis were by the writer Jakov Lind, who said that there were "no Nazis" — meaning that a similar nightmare could be re-enacted given the same ordinary people, social conditions and rallying point.

So between the current mood of some people *in Austria and the recent awarding* of a doctoral degree to a Frenchman, Henri Roques, for his thesis claiming that Nazi gas chambers may not have existed *(European Topics, May 30)* — I think it would be an ideal time for Europe to take a look at its history books.

JOHN McCARTNEY.
Derry, Northern Ireland.

Medical Care in Somalia

I read with interest your report "President of Somalia Hospitalized" (*May 26*). After the road accident President Barre was flown to Saudi Arabia for treatment. This is a good example of the bad medical treatment in Somalia, and of course is the result of his corrupt regime.

H.M. HASSAN.
Frechen, West Germany.

A medical revolution. Written by Dornier.

Three years ago, DORNIER research triggered a revolutionary medical invention: the DORNIER Kidney Lithotripter. Developed in cooperation with leading medical authorities, the Lithotripter eliminates surgery to remove kidney stones, in 9 out of 10 cases. The basis of the treatment is innovative technology that uses shock waves.

For 19 years, DORNIER has conducted advanced research into the medical uses of shock waves. Shock waves can penetrate body tissue without damage. Yet, when they strike a kidney stone with full force, the shock waves destroy it. The kidney stones are split into tiny particles no larger than grains of sand. The patient then passes the particles. Patients generally leave the clinic 2–4 days after treatment.

More than 150 DORNIER Kidney Lithotripters are at work in leading clinics worldwide and the number is steadily rising. Every five minutes, somewhere in the world, kidney stones are removed without surgery.

The key to the breakthrough in kidney stone treatment is the extensive knowledge about shock waves amassed by DORNIER scientists. DORNIER'S expertise in aeronautical engineering also played an essential role. Whether building airplanes or complex medical equipment, there is one absolute priority: protecting human life.

Other companies may also construct machines that crush kidney stones. Yet, none of these potential machines will possess the most vital feature of a DORNIER Kidney Lithotripter: the guarantee of safety gained through the successful treatment of more than 100,000 patients. Only one company in the world can pledge this safety: DORNIER.

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Living Abroad

Special Health Policies Can Help Pay the Cost Of Illness During Travel

By Sherry Buchanan
International Herald Tribune

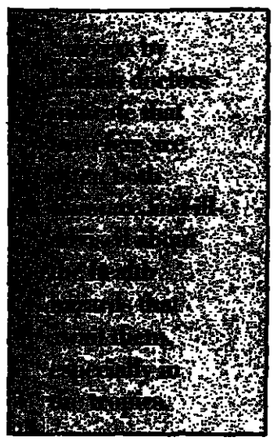
LONDON — Ailing and bedridden, Blaise Pascal, the French philosopher, decided that "the sole cause of man's unhappiness is that he does not know how to stay quietly in his room."

Pascal's observation in the 17th century seems even more pertinent in this jet age. And, given the human propensity to move around the world, many expatriates who travel frequently outside their base country take out emergency assistance insurance.

The chances of becoming sick or having an accident abroad are statistically slim. According to Europ Assistance in London, only one British traveler in every thousand will file a claim for a medical problem; six in 100,000 will require repatriation by air ambulance and eight in 100,000 will die abroad.

Statistics for Americans are somewhat higher. According to the Centers of Disease Control in Atlanta, 23 percent of Americans get sick abroad, but that includes minor illnesses such as influenzas and colds.

Still, according to British doctors who have conducted surveys of public awareness, travelers are often both unaware and ill-advised



about the health hazards that await them, especially in the tropics.

"Travel agents aren't obligated to say very much about what might happen and what they do say is in very small print at the back," said Dr. Anthony Hall, a consultant physician at the Hospital for Tropical Diseases in London. He is also a contributor to the new book, "Travelers' Health," edited by Richard Dawood and published by Oxford University Press.

Even the prudent traveler may get sick.

"It's just luck," said Mark Frear, referring to his own bad fortune. A New Zealander who works in London, he is now a patient at the Hospital for Tropical Diseases. He contracted hepatitis in India although, before his departure, he had an injection of gamma globulin, the antibody used to prevent hepatitis A.

"*C'est la vie,*" said Jeff Davenport, another New Zealander based in London and a patient at the same hospital. On a trip to the Central African Republic he contracted not only hepatitis A but also malaria and dysentery. Mr. Davenport had also had an injection of gamma globulin and had taken the prescribed dose of quinine to ward off malaria.

"It hasn't put me off traveling," he hastened to add from his sickbed, "but it has put my mother off."

Since both men wanted to be repatriated for treatment, they consider themselves lucky to have taken out emergency insurance policies.

For a relatively small premium, assistance plans provide a 24-hour phone number for help and enough money to pay typical costs for any accident or sudden illness abroad. Assistance plans usually cover medical and hospitalization costs as well as emergency repatriation. This includes air ambulance service if necessary — a welcome benefit since it is illegal to travel on a commercial flight with an infectious disease.

Some insurance policies and assistance plans also include the cost of flying relatives, an interpreter, a personal doctor or medical supplies to the traveler's sick bed, flying children with a sick parent abroad back to their home base or flying parents home to a sick child. Among other plans, Centurion Assistance from American Express has many of these features.

Another insurance policy with many of these features is designed exclusively for the expatriate who travels extensively: the Norwich Union Recovery Service for Expatriates, based in Norwich, England.

Instead of the traditional coverage for a single, short trip, some assistance plans also offer annual coverage for trips lasting up to 90 days. Overseas Health and Medical Services Ltd., based in London, even offers special coverage for owners and crew of yachts and boats worldwide.

Before choosing an insurance policy, the expatriate traveler should check the fine print. Assistance plans and travel insurance rarely cover an existing chronic or recurring illness and often exclude certain sports, such as skiing, spelunking, scuba diving, hang gliding and parachuting.

Another hole in many assistance plans is that they have not kept up with the news and do not cover injury from a terrorist attack or exposure to radiation.

"We can help, thanks to our emergency assistance network," said a spokesman for Europ Assistance. "But you are not entitled to it under the standard insurance plan — you have to pay for it."

Travel in some countries, either those at war or those unfriendly to certain nationals, is also excluded from coverage. Europ Assistance said it would not now insure people traveling or living in Libya, Iran or Iraq.

A particularly sticky matter can be repatriation, which does not always mean returning a traveler to his base. Insurance policies differ: Some will send patients back home while others will send them to the nearest best place for treatment. Insurance companies may require a medical certificate saying the patient must be repatriated even if the requirement is not stated clearly in the policy.

"My travel insurance covered repatriation costs, but when I put in my claim, the insurance company wanted a written statement from the doctors in Bangui saying it was necessary for me to be repatriated," Mr. Davenport said. "But the doctors didn't want to admit conditions in their hospital were bad and wouldn't give me the statement." He got himself back to London from the Central African Republic without the statement and, fortunately, the insurance company finally accepted his claim.

Some travelers who have gotten too sick to return home would rather stay out of a hospital and in their hotel if they have the medical option. Not all assistance plans or travel insurance policies cover outpatient services such as medical visits, medical supplies and laboratory tests.

A dietary reason to stay out of certain hospitals was described by an Englishman who contracted hepatitis in New Delhi and was too sick to be flown home. "Some hospitals in India only serve curry," he said, "and rice is the worst thing you can eat when you've got hepatitis." He stayed instead with a friend who looked after him for a month and never served rice.

CHANGE OF THAI COMMAND — General Chaovalit Yongchaiyuth, right, salutes a passing honor guard shortly after taking over as commander in chief of Thailand's Army from General Arthit Kamlang-ek during a ceremony in Bangkok Wednesday.

Titan Investigation Is Said to Raise New Questions on Safety of Shuttle

By David E. Sanger
New York Times Service

NEW YORK — Investigators looking into the April explosion of a Titan rocket have identified a serious manufacturing and maintenance flaw that raises new concerns about the safety of the space shuttle, according to U.S. officials who oversee the space program.

The officials, who declined to be identified because investigations into the loss of both the Titan and the space shuttle Challenger are continuing, said they thought a critical layer of insulation peeled away from the inside of the Titan's solid-fuel booster rocket, allowing flames to burn through the rocket's casing. They described the design of the insulation on the shuttle's boosters as virtually identical with the Titan design.

As a result, the officials suggested that the design of the shuttle booster joints, the apparent cause of the Jan. 28 disaster that destroyed the Challenger and killed seven astronauts, may not be the only potentially fatal flaw in the rockets that lift the shuttle into space.

The officials warned that the conclusions about the Titan explosion were still preliminary. A final report is expected by the end of the month.

"If it could happen to the Titan, I don't see any reason it couldn't happen to the shuttle," said John E. Pike, director of space policy at the Federation of American Scientists in Washington. "It's particularly surprising because the air force inspected the heck out of that Titan before it was launched."

Because the $65-million Titan rocket carried a secret payload, air force officials are not expected to release a detailed report about the loss.

In testimony before a presidential commission investigating the Challenger accident, officials of the National Aeronautics and Space Administration made it clear that the kind of separation of insulation that apparently led to the destruction of the air force Titan 34-D was commonplace on the shuttle.

On any solid-fuel rocket, insulation takes on critical importance because it separates the burning propellant from the metal walls of the rocket. If the insulation is breached, the walls of the rocket will quickly melt, probably causing the type of plume seen jetting from the side of the shuttle's right-hand booster seconds before the craft disintegrated.

Investigators studying the space shuttle disaster at first thought a defect in the booster's insulation might have caused the plume that ultimately ignited the shuttle's liquid-fuel tank. But that theory was dismissed after overwhelming evidence pointed to the failure of the shuttle's O ring seals, which connect segments of the booster rockets.

Mindful of the shuttle investigation, air force officials spent hundreds of hours examining whether there could have been a similar failure of the safety seals on one of the two boosters on the Titan 34-D that exploded April 18. "It just didn't pan out," said an official, "especially after some of the wreckage was recovered."

It was not clear Tuesday what physical evidence, if any, the air force had to buttress its belief that a "debonding" of the insulation caused the accident. But government experts familiar with solid-fuel booster rockets said that there is relatively little apart from inspections that can be done to prevent the problem.

"It's inherent with solid fuel rockets," an expert said. "There's no way around it."

But the failure did appear to renew a debate over whether solid-fuel booster rockets, while less expensive than liquid-propellant rockets, are suitable for manned space flight.

The shuttle was NASA's first manned craft to use solid-fuel rockets. And it was largely concern over the reliability of the solid-fuel rockets that touched off a host of studies into the chances of an accident that would result in loss of the craft or its crew.

■ **Review of Parts Urged**

The presidential commission on the space shuttle disaster will urge the space agency to review many critical components in the shuttle besides the faulty rocket joint that caused the disaster, The New York Times reported from Washington.

Several of the 13 commissioners said in recent interviews that they particularly wanted to warn against what one called a "quick fix" to get the shuttle flying again before it was safe to do so.

The final report on the disaster, which killed seven astronauts Jan. 28, is scheduled to be released Monday. The sources said it would assert that there are potentially hazardous safety problems in many aspects of shuttle operations.

■ **NASA Official to Retire**

William R. Lucas, the director of the NASA rocket center that manages shuttle solid-fuel boosters, announced his retirement Wednesday, United Press International reported from Huntsville, Alabama.

Mr. Lucas, who directed the Marshall Space Flight Center for 12 years, is the highest ranking NASA official to leave the agency since the Challenger disaster. His resignation will take effect in early July.

U.S. Considers Selling Uranium Processing Plants

By Peter T. Kilborn
New York Times Service

WASHINGTON — The Reagan administration is considering selling the plants that process uranium for U.S. nuclear power utilities, according to officials.

Several said Tuesday that they would even consider giving away much of the business — a U.S. monopoly — to stem the government's losses.

"I think the Department of Energy and the administration would be interested in selling the whole shebang if they could," said Thomas Gale Moore, a member of the President's Council of Economic Advisers. As for giving the business away, Mr. Moore said, "I would consider it among the options if that's the best you can do."

A company formed by several businesses has already offered to take over one uncompleted facility, making no payment but eventually sharing revenues.

Mr. Moore directs a White House working group that has been exploring methods of "privatizing" — selling to private industry — such government operations as Conrail and the Bonneville Power Administration in Oregon. Mr. Reagan has identified various enterprises in previous policy statements, but uranium enrichment is a new item on the list.

This is not the first time that Washington has wanted private companies to own enrichment plants.

Starting in 1972, U.S. officials recommended such a move, and in 1975 President Gerald R. Ford proposed $8 billion of government guarantees for private companies to build and operate enrichment plants.

The motives, however, were different then. Ten years ago energy officials thought there would be a serious shortage of nuclear fuel. Mr. Ford's plan was defeated on July 30, 1976, by the House of Representatives. It objected to the provision for guarantees, and it raised questions about national security. The Reagan initiative is also subject to legislative approval.

In other industrial countries the enrichment business is government-owned.

The Energy Department charges utilities to process, or enrich, raw uranium into the form that American and many foreign utilities use to generate electric power. The government owns two plants — in Portsmouth, Ohio, and Paducah, Kentucky — that use an aging "gaseous diffusion" enrichment technology.

The plants also produce a higher form of enriched uranium used in nuclear weapons. Turning over enrichment of weapons-grade uranium to private industry, government officials said, involved a separate decision to be based on the specifics of proposals it might receive.

A third plant, in Oak Ridge, Tennessee, was shut down a year ago because the government's production of fuel far exceeded the demand. For similar reasons, the Energy Department stopped construction of a fourth plant, also at Portsmouth, that would use a more advanced technology, called gas centrifuge, after spending $2.5 billion on its construction. The department is now pursuing development of a still more advanced technology that has not yet proved commercially viable.

Energy department officials said the unrecovered investment in all the facilities now totals $7.5 billion, and they figure that the government will lose about $4 billion.

"The taxpayer is going to have to swallow something no matter what happens," Mr. Moore said. But he added that if the government did not turn over some of the business to private industry, it would face the added cost of hundreds of millions of dollars in shutting down the new Portsmouth plant.

The government established its enrichment monopoly after World War II, partly to prevent proliferation of a technology that is also used in producing nuclear weapons. However, some other countries have since acquired the technology, so economic considerations have come to outweigh the concerns over national security.

The Energy Department is required by law to sell its enrichment service at a high enough price to cover both the cost of the operation and the cost of constructing the enrichment plants. But the economics of the marketplace make that impossible, Energy Department officials said.

Staff members of the energy committees of the Senate and the House of Representatives, as well as executives of private utilities, have expressed general support for transferring some of the enrichment business to private industry. They said private industry could operate it more efficiently with a substantially smaller work force.

A member of the Senate committee staff added that she did not expect this to raise the kind of worries about safety that are associated with nuclear power plants, partly because enrichment facilities do not burn fuel.

Sikhs Murder a Guard At the Golden Temple

Reuters

AMRITSAR, India — Sikh militants led by the widow of one of Indira Gandhi's assassins killed a volunteer guard and wounded at least seven other persons here Wednesday during a rampage at the Golden Temple, the holiest Sikh shrine.

About 200 militants occupied the temple grounds for 15 minutes before security forces stormed into the area to restore order.

About 150 persons were arrested, but the militants who led the rampage, including the widow, Bimal Kaur Khalsa, escaped. The security forces did not enter the temple itself.

Miss Khalsa, 32, is the widow of Beant Singh, one of two Sikh bodyguards convicted of murdering Prime Minister Indira Gandhi.

Witnesses said she shouted slogans as she led the militants in an attack on volunteers guarding a marble-paved courtyard surrounding the Golden Temple.

The violence broke out during a rally by about 3,000 Sikhs who were commemorating the Indian Army's assault on the shrine in June 1984 to evict heavily armed separatists.

Beant Singh and Satwant Singh, two of Indira Gandhi's Sikh police bodyguards, gunned down the prime minister on Oct. 31, 1984, in retaliation for her decision to send troops into the shrine.

Beant Singh was killed by other Gandhi bodyguards. Satwant Singh was sentenced to death earlier this year.

A Calcutta Telegraph photographer, Sondeep Shankar, said Miss Khalsa, dressed in the orange clothing of a Sikh martyr, wrenched swords from the hands of the heavily outnumbered guards as they took refuge from the militants in rooms leading to the courtyard.

Witnesses said she did not strike any blows during the attack, in which other militants used swords and iron bars.

A guard was stabbed to death when he refused to give up his sword. He was dragged from a room and killed on the marble courtyard. The killing led the other guards to surrender their weapons.

The volunteers had taken over policing of the shrine Monday when security forces pulled out.

The security forces had been occupying the temple since April 30, when 2,000 paramilitary police raided the shrine to drive out militants who had proclaimed a separate nation. It was the second major government intervention in two years.

In the April 30 raid, one civilian was killed and 350 militants were arrested.

Since her husband's death, Miss Khalsa has become a leading figure in the militant movement.

On Wednesday, a hard-line Hindu minister resigned from the Indian cabinet, removing a major obstacle to Prime Minister Rajiv Gandhi's plans for peace in Punjab.

Bhajan Lal, chief minister of Hindu-dominated Haryana state, gave no reason for his resignation, but political sources linked it to the imminent transfer to Punjab of the two states' joint capital, Chandigarh. The Sikhs are a majority in Punjab.

The sources said Mr. Lal's departure would open the way for implementing a peace accord that Mr. Gandhi signed last July with the moderate Sikh Akali Dal party, which rules Punjab.

Mr. Lal, a member of Mr. Gandhi's Congress (I) Party, had blocked the transfer, which originally was scheduled for Jan. 26, because he was unhappy with the land that Punjab proposed to give Haryana in compensation.

Mr. Gandhi announced Saturday that the transfer of the city 155 miles (250 kilometers) north of New Delhi would go ahead on June 21.

Marshal Sergei F. Akhromeyev speaking in Moscow.

POLAND: *A Warsaw Spy Tale*

(Continued from Page 1)

now live in the United States under new identities, according to two U.S. government sources. One of them described the colonel as "a very brave man who became an agent not for money but because he detested what the Soviets and military government had done to his country."

The source said the Polish authorities convicted Colonel Kuklinski in absentia of espionage and sentenced him to death.

Colonel Kuklinski was able to provide the CIA with a copy of the final plan for the crackdown on Solidarity, according to U.S. sources. Copies of this plan were printed in the Soviet Union so the fewest possible number of Poles would know about it, the sources said.

On Dec. 23, 1981, in a televised speech on the martial law in Poland, enacted 10 days earlier, President Reagan said: "It is no coincidence that the martial-law proclamations were being printed in the Soviet Union in September."

At the time, some former intelligence officials and others suggested that Mr. Reagan's remarks were an unusual breach of secrecy.

Mr. Urban, the Polish spokesman, said that Colonel Kuklinski knew such details as lists of people to be interned, movements of Polish Army units and the preparation of anti-Solidarity legislation to accompany martial law.

As the one condition for speaking on the record, Mr. Urban insisted that The Washington Post ask the U.S. administration about his account of one of the most mysterious episodes in the Solidarity drama.

The White House had no immediate comment.

The meticulously planned martial-law crackdown, which was accompanied by the internment of about 5,000 Solidarity activists, followed 16 months of growing tension.

Mr. Urban said the Polish authorities first became aware that Colonel Kuklinski was a U.S. agent when he failed to report for duty on Nov. 6, 1981. His house, and the houses of his two sons, were found to be empty.

According to Mr. Urban, the Polish authorities assumed that the CIA had decided to "withdraw" Colonel Kuklinski and his entire family from Poland to be able to reveal his information on the preparations for martial law without jeopardizing his safety. Mr. Urban said it was believed in Warsaw that Colonel Kuklinski was safely in U.S. hands as of Nov. 7.

"The Polish authorities waited for some kind of announcement from Washington," Mr. Urban said. "But time passed and the United States was silent, so the plans were put into effect."

He described Colonel Kuklinski as "an operational officer in charge of planning martial law" but would not give his exact position.

Mr. Urban's version of the Kuklinski case differed sharply with a fragmented account that appeared in Newsweek magazine in December 1982, reportedly drawn from U.S. sources. According to the Newsweek account, which did not name the agent, the Reagan administration was unable to warn Solidarity about the imminence of martial law without putting the colonel's life in jeopardy. Mr. Urban dismissed this as "nonsense."

His own explanation of the reasons for Washington's silence, Mr. Urban said, was that the Reagan administration appeared to believe that martial law would result in a "bloody conflict" in Poland, a conflict the United States had no interest in preventing. He said President Reagan later became angry at the ease with which Solidarity was crushed.

"This incident gave us an insight into Reagan's actions and sayings," Mr. Urban added. "Much of the love which he professes for Solidarity is insincere. He could have prevented the arrests and internments, but did not."

The disclosure of an incident that would normally be hushed up appeared to result in part from continuing political strains between Warsaw and Washington. Mr. Urban accused the Reagan administration of continuing to take a hostile attitude toward Poland by receiving exiled Solidarity leaders and expressing support for the Solidarity underground.

Asked why Warsaw had not disclosed the information earlier, he said: "It is not an easy or pleasant matter to reveal that the Americans had an agent so high in our headquarters, or that a Polish colonel was an American spy. We were patient and had hopes that things could be worked out" between Washington and Warsaw.

ELECTION: *U.S. Primaries Held*

(Continued from Page 1)

pose the Republican incumbent, Governor Terry E. Branstad.

Democrats hope to make the race against Mr. Branstad, who is vulnerable because of the state's ailing farm economy, a test of President Ronald Reagan's farm policies.

In the primaries, each party chooses its candidate to run in the November general elections for a variety of local, state and national offices.

The Democrats will attempt to win four new seats in the U.S. Senate and regain control of that body. Republicans now hold a 53-47 majority. The two key races will be in South Dakota and California.

In South Dakota, Democrats see Mr. Abdnor's seat as one of the Republicans' most vulnerable, while a Republican capture of Mr. Cranston's California seat would severely hobble the Democrats' efforts to take control.

In the House of Representatives all 435 seats are up for election in November. Democrats hope to widen their 252-183 majority.

Among other results in the voting were the following:

South Dakota: In the Democratic gubernatorial primary, state Representative Lars Herseth upset former Governor Richard Kneip, who had been heavily favored.

In the Republican gubernatorial primary, the former speaker of the state House, George Mickelson and former Representative Clint Roberts face a possible June 17 runoff.

Alabama: Two Democrats, Lieutenant Governor Bill Baxley and state Attorney General Charles Graddick were forced into a runoff June 24. Guy Hunt easily won the Republican primary, but the Democratic nominee will be heavily favored. Alabama has not elected a Republican governor in 112 years.

In the Democratic Senate primary, Representative Richard C. Shelby, a conservative, defeated Jim Allen Jr. He will face the incumbent Republican, Senator Jeremiah Denton.

Iowa: John Roehrick, a Des Moines lawyer, won the Democratic Senate nomination by easily defeating Juan Cortez, a follower of political radical Lyndon LaRouche. He will face the incumbent Republican, Senator Charles Grassley.

SALT: *Moscow Warns U.S.*

(Continued from Page 1)

U.S. air strike in Libya in April.

Mr. Bessmertnykh said that relations between Moscow and Washington had deteriorated since Mr. Reagan and Mr. Gorbachev met in Geneva.

"The general situation does not lead to an optimistic assessment at the present," he said. "The relationship between the Soviet Union and the United States is primarily determined by matters of security, and in this area we are facing the greatest difficulty."

Mr. Bessmertnykh reiterated Moscow's position that the scheduling of a meeting between Mr. Reagan and the Soviet leader was contingent on a positive political atmosphere and concrete progress in the Geneva arms talks.

"This is not the reality today," he said.

■ **Criticism in Congress**

Edward Walsh and Lou Cannon of The Washington Post reported earlier from Washington:

Bipartisan criticism surfaced on both sides of Capitol Hill Tuesday over President Reagan's announcement that the United States would end compliance with the SALT-2 treaty this year.

Senator John H. Chafee, Republican of Rhode Island, said he had voiced his "extreme distress" at a White House meeting of Republicans, warning Mr. Reagan that if the United States scrapped the treaty, the Soviet armed forces "are going to be way ahead."

While the Senate majority leader, Robert J. Dole, Republican of Kansas, and the Foreign Relations Committee chairman, Richard G. Lugar, Republican of Indiana, backed the president, Republicans like Senator David F. Durenberger of Minnesota and Lowell P. Weicker Jr. of Connecticut said they were concerned about the decision to scrap the arms accord.

Meanwhile, Senator Dale Bumpers, Democrat of Arkansas, predicted that there would be "a major effort" in the Senate to force Mr. Reagan to change his mind before the end of the year, when the administration said the United States would exceed the SALT-2 weapons limits.

"I cannot see one single thing that benefits the U.S., militarily or any other way, from this decision," Senator Bumpers said. "Talk about shooting yourself in the foot!"

The adverse reaction was even stronger in the Democratic-controlled House of Representatives.

Congressional sources said the House leadership had not decided on a course of action, but that the most likely approach would be to try to amend the Defense Department authorization bill to prohibit the use of funds for weapons in excess of SALT-2 limits.

Representative Norman D. Dicks, Democrat of Washington, introduced legislation to hold funding for weapons within the SALT-2 limits.

Mr. Fascell said that the United States, by abandoning SALT-2, "would heat up the arms race and give unprecedented opportunities to the Soviets to substantially increase their nuclear threat against the United States."

Amid what the House speaker, Thomas P. O'Neill Jr., Democrat of Massachusetts, described as "pretty well united" Democratic opposition to scrapping the treaty, there was uncertainty over the administration's ultimate intentions. Several lawmakers suggested that Mr. Reagan's decision might be a negotiating ploy.

AFRIKANER: *Monolith Cracks*

(Continued from Page 1)

chitect, former Prime Minister Hendrik F. Verwoerd.

There has been no leftist breakaway yet, but there is speculation that some of the "new Nats" may split if President Pieter W. Botha continues to postpone political change. Local analysts say if they do break off, the "new Nats" could join the Progressive Federalists to form a new, broad-based reform party.

The best-known of the "new Nats" in Parliament, Wynand Malan, is cautious in his public statements. He was reluctant to commit himself on the issue of black government in a recent interview, but he did say that he would not be "overly concerned" about living under a government in which there was a majority of blacks "so long as it was not by definition a black government" in the sense of being racially committed.

The dissent is most outspoken at Stellenbosch University. A number of students spoke in interviews last week about the need to redefine the Afrikaner's identity.

"Thinking students are beginning to grapple with their future prospects as Afrikaners in this country," said Hennie Bester, who is chairman of the university's debating society and one of those who had his passport withdrawn. "There is tremendous uncertainty."

"We have no more trust in our so-called leaders," Mr. Bester said. "They have misled us by keeping things from us and by feeding us disinformation. We have decided we must find out the facts for ourselves."

Mr. Bester and his friends say they do not themselves feel shame at being Afrikaners. They feel they were caught up in a gigantic deception but have managed to see through it.

AQUINO: *A Productive 100 Days, but Work Remains*

(Continued from Page 1)

through and all that we hope for. Even the vagueness of her is symbolic. That's why people are willing to take her with a certain faith, because she is us. We believe that somehow she is going to do right."

This legacy as a victim of Mr. Marcos, which she employed as a campaign issue, may be a fragile quality with which to govern.

Some critics warn that as soon as she begins making the political compromises that she must, she could lose the moral high ground she employs to exercise political control.

They say she will have to rely increasingly on the traditional political and governmental skills she is acquiring rather than the mass support that brought her to power.

The military, which has begun a painful process of correcting its defects, continues to be a question mark, and the defense minister, Juan Ponce Enrile, does not close off speculation about his own political ambitions.

Although they appear to be minor players in the Philippines, supporters of Mr. Marcos could retain an unknown potential for disruption.

But with the passage of the first 100 days of Mrs. Aquino's administration, it appears that for now these various powerful forces have accepted the fact that she is defining the shape of the post-Marcos Philippines and that her government will be given the chance to make its own success or failure.

■ **Shultz Is "Bullish"**

Secretary of State George P. Shultz gave the 100-day-old Philippine government high marks Wednesday. He urged American businessmen to invest in the country, The Associated Press reported.

"I am bullish on the Philippines," Mr. Shultz declared in a speech to the Foreign Policy Association.

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Thursday, June 5, 1986 International Herald Tribune Special News Report

Norway: A Change of Pace

IN THE NEWS

April 6: Wage Dispute Halts Oil, Gas Output

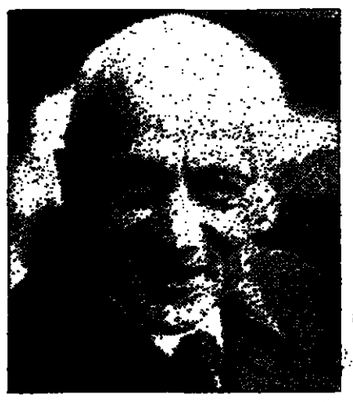
Norwegian oil and gas production comes to a halt after 670 offshore caterers strike for a 28-percent pay increase. Employers respond by locking out 3,000 production workers, halting Norway's output of 900,000 barrels per day.

April 8: Lockout Spreads to Five Unions

The deadline for a government-appointed mediator to settle a two-year wage dispute expires. Employers lock out more than 100,000 industrial workers halting work at most shipyards and forcing the country's hotels and restaurants to close. Five unions are affected.

April 25: Labor Chief Orders Return to Work

Labor Minister Arne Rettedal orders a return to work and obligatory arbitration after unions and employers fail to agree on working conditions and wages during all-night talks.



Reuter

Kaare Willoch

May 2: Willoch Quits; More Workers Strike

The Conservative coalition led by Prime Minister Kaare Willoch resigns after narrowly losing a parliamentary vote on a gasoline tax increase proposed to cope with a 50-percent plunge in oil prices since 1985. In power since 1982, Mr. Willoch's tripartite coalition held a one-seat majority in Parliament, over the Socialist and Labor parties.

May 9: Brundtland Takes Over As Prime Minister

King Olav V formally installs an 18-member minority Labor government led by 47-year-old Gro Harlem Brundtland, that includes a record eight women. Mrs. Brundtland was toppled by Mr. Willoch in 1981 general elections after eight months in office. The new government holds 71 seats in the 157-member parliament, which cannot be dissolved before general elections in 1989.

May 12: Labor Government Announces Devaluation

The newly installed government of Mrs. Brundtland announces a 12-percent currency devaluation, effective immediately.

June 2: Statoil Signs Accord for Europe

The Norwegian state-owned oil company, Statoil signs an agreement valued at about $68 billion to supply natural gas to a consortium of six Western European buyers over 27 years.

Compiled by
Cynthia Guttman

Politics on a Tightrope

As Oil Goes, So Goes Parliamentary Stability

The root cause for a situation that most Norwegians are unaccustomed to is the oil-price fall.

By Per Egil Hegge

OSLO — Five weeks after the fall of Kaare Willoch's three-party coalition government, the non-Socialist majority in Norway looks increasingly like Humpty-Dumpty: It seems doubtful that it can be put together again.

Not that the Labor Party under Gro Harlem Brundtland, the new prime minister who lost the 1981 election to Mr. Willoch's Conservatives, will have an easy time. Two votes short of a dependable working majority, she is nonetheless expected to be able to rule until the next elections, which cannot be held until September 1989.

But in a situation more chaotic than at any time in Norway's tranquil postwar history, most bets are off, and suddenly, parliamentary instability is the rule of the game.

The root cause for a situation that most Norwegians under the age of 60 are unaccustomed to, is the sharp and unexpected fall in oil prices. This has been compounded by last year's election result, which left the two members of the Progressive Party, an unpredictable rightist group, holding the parliamentary balance between the Socialists and the more traditional non-Socialists.

The tumble of the oil markets led Mr. Willoch to introduce a modest austerity program to make up for some of the loss, which will turn last year's balance of payments surplus of 25 billion kroner ($3.2 billion) into a deficit of the same magnitude this year. But when his government included a slight increase in the gasoline tax in the package, the Progressives joined forces with their enemies on the left, Labor and the Socialist People's Party, and brought Mr. Willoch down.

PER EGIL HEGGE is the editor of the weekend supplement of Aftenposten.

Mrs. Brundtland then formed a government, setting a world record by bringing eight women, herself included, into her cabinet of 18. Only two of the party's old-timers were asked to join: Foreign Minister Knut Frydenlund, who held that post from 1973 to 1981, and Finn Kristensen, a minister of industry who served in that same position in the 1970s.

The political situation has become even more complicated by the fact that Norway was in the middle of complex biannual wage negotiations when power changed hands. The employers' federation was thought to have damaged Mr. Willoch's Conservative government when it broke off negotiations in early April and declared a lockout in the steel and the electro-chemical industries. The federation turned out to be surprisingly unprepared for such a fight, whereas the trade unions reveled in it.

But the new Labor government has a similar situation on its hands less than two months later, with several unions of state and municipal employees going on strike.

One body of opinion in the Conservative Party maintains that Labor can now best be left to grapple with the economic difficulties the country faces after the oil bubble burst. The new government's policies contain some unpopular measures, including the same increase in gasoline tax that Labor voted against in late April in order to topple Mr. Willoch's government.

But the non-Socialist parties will hardly strengthen their position as responsible and action-oriented if they limit themselves to letting Labor rule against a non-Socialist majority.

The problem in getting the non-Socialists to act in concert lies in the strained relationship between the Christian People's Party and the Center (agrarian) Party, on the one hand, and the Progressives, on the other.

With their strong commitment to traditional Norwegian egalitarianism, which implies a high level of taxation, the two former coalition partners of the Conservatives regard the free-wheeling Progressives as something close to political pariahs. Not only is it unthinkable to govern together with them, it is also distasteful to be dependent on their votes, even if the prize is a ministerial seat.

For this reason alone, it is possible for Labor to govern with the support of at least some representatives of the Christian People's Party when it comes to economic measures. Also, in the field of foreign and defense policies, Labor could rely on the backing of some members of the Center Party who are skeptical toward the North Atlantic Treaty Organization.

There are several ways in which Mrs. Brundtland can bait the parliamentary hook if she can bring her own party to sacrifice just a few Socialist principles for the time being, and that should set her on course for three more years of power.

Norsk Telegrambyra

Falling oil prices have produced a situation that most Norwegians under the age of 60 are unaccustomed to. Above, the Bergen fishmarket.

The 47-year-old former physician and mother of four is a redoubtable fighter who has never shrunk from tough tasks. It is a measure of her commitment and of her self-confidence that she spent one of the more turbulent weeks in her new government life in Canada, chairing a United Nations commission meeting on protection of the environment. At home, her embattled colleagues were busy defending her economic austerity package.

Petroleum Policy

A Wary Glance in the Direction of OPEC

The government is seeking ways to steady prices.

By Bob Hagerty

OSLO — Norway's flirtation with OPEC is all talk and no action, so far. The new government, since taking office May 9, has signaled a greater willingness than its predecessor to discuss oil policy with the Organization of Petroleum Exporting Countries.

It is far from clear, however, that the new attitude will extend to significant cooperation in any OPEC effort to reverse the 50-percent drop of oil prices since last November. Indeed, observers here say, the government does not seem to have devised a clear strategy for dealing with OPEC, a question that remains controversial.

BOB HAGERTY is the International Herald Tribune's financial correspondent in London.

Norsk Telegrambyra

The Statfjord B platform in the North Sea Statfjord field.

The government does appear eager to study any means of helping to stabilize oil prices, preferably above the current average of roughly $15 a barrel. Oil and gas last year accounted for nearly a quarter of government revenue and 38 percent of total Norwegian exports; the price collapse is forcing Norway to enact austerity measures so unpopular that they threaten to cut short the new government's term in office.

"If the OPEC countries should reach a realistic agreement on how to stabilize prices, Norway will on its own and in light of our situation and interests consider how we could contribute to the stabilization of prices," Arne Oeien, the new oil minister, said in an interview.

Mr. Oeien said he expects to meet soon with Sheikh Ahmed Zaki Yamani, Saudi Arabia's oil minister, and Arturo Hernández Grisanti of Venezuela, the president of OPEC. But the Norwegian minister refused to discuss what Norway might have to offer.

Moreover, Norway has said it would consider contributing to the OPEC effort only if the exporter group's 13 members first reached a realistic accord among themselves. OPEC is due to meet June 25 in Brioni, Yugoslavia, but there is little sign that a credible accord is at hand.

Even if OPEC does pull together, Norway's

Continued on Page 10

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The 1980s are the decade of debate over Norway's security policy.

Acid Rain 9
Relations between Norway and Britain are threatened by acid rain issues.

Budget Woes 8
The new labor government's budget includes tax increases and credit restraints.

AP

Gro Harlem Brundtland

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Declining Oil Prices Put Crimp in Budget

A package of tax increases, spending cuts and restrictive credit policy should serve to convince Norwegians that the feast is over.

By Henry Henriksen

OSLO — Norwegians are fighting an economic hangover after the sharp drop in oil prices, which knocked the bottom out of expansionary budgets and heavy private consumption.

The situation was described in a revised national budget, submitted to parliament by Gunnar Berge, the minister of finance in Prime Minister Gro Harlem Brundtland's Labor Party minority government.

A package of 3.5 billion kroner ($450 million) in tax increases and spending cuts as well as a restrictive credit policy should serve to convince Norwegians that the feast is over and that the bill will now have to be paid.

Mr. Berge said the proposed remedies should not be regarded as a challenge to the majority opposition, stressing that he was prepared to seek compromises in order to safeguard broad cooperation in the next few years.

Last year, private consumption rose by 8 percent compared with 3.5 percent envisaged by former Prime Minister Kaare Willoch's Conservative-led coalition. Savings were halved and money not obtained in wage contracts was borrowed from banks.

Mr. Berge said Norway would face a "very serious economic situation" unless tough measures were introduced in time.

The spending spree had continued this year, causing imports to rise by 18 percent in the first four months while exports were drastically down.

Last year, a daily output of 900,000 barrels of oil, or equal to that of Kuwait, gave four million Norwegians 40 percent of their export earnings and 20 percent of all state revenues.

The drop in oil prices slashed revenues by 60 percent to 70 percent, reducing foreign currency reserves from $17 billion last October to about $11 billion now.

Hardest hit has been the foreign trade balance. A surplus of $3.2 billion last year is expected to switch to a $3.2-billion deficit this year, based on an oil price of $15 per barrel.

Mr. Berge said these developments subjected the Norwegian krone to considerable pressure, forcing the government to devalue by 11 percent. Without a devaluation, far tougher remedies would have been needed, possibly public and private spending cuts in the range of 10 billion to 15 billion kroner, combined with a wage and price freeze.

Mr. Berge said it would take two to three years to bring the economy under control and change trade deficits to surpluses.

Under the proposed measures, total lending limits for commercial banks would be cut by 5 billion kroner to 19 billion kroner.

The former Conservative-led coalition, which resigned about three weeks ago, submitted a white paper which said that, even with an oil price of about $20 per barrel, Norway's foreign trade balance would show an uncomfortable deficit.

Apart from the oil price jolt, the Norwegian economy has for years been suffering from two major illnesses whose effects have been offset by offshore oil revenues.

First, traditional mainland industries have bigger labor unit costs than Norway's major trading partners. Secondly, Norwegian industries are suffering from serious structural problems.

Costs are about 10 percent higher than in Sweden, Norway's No. 1 export market, while the opposite was the case six years ago. Wage contracts this spring will add to the risk that Norway will remain in a difficult position relative to the labor unit costs of its main trading partners, Sweden, West Germany and Britain, economic experts said.

It should be noted that Norwegian industries gain little from cheaper oil since their energy needs are covered by hydroelectricity.

At the start of the second half of the 1980s, the government's financial position was strong. External debt had been brought down to little more than 8 percent of gross national product, against 47 percent when the debt was at its peak.

Hermod Skaanland, president of Norway Bank, said that should oil prices remain low until 1990, however, the decade would end with a debt burden almost as great as the one Norway had at the start of the decade.

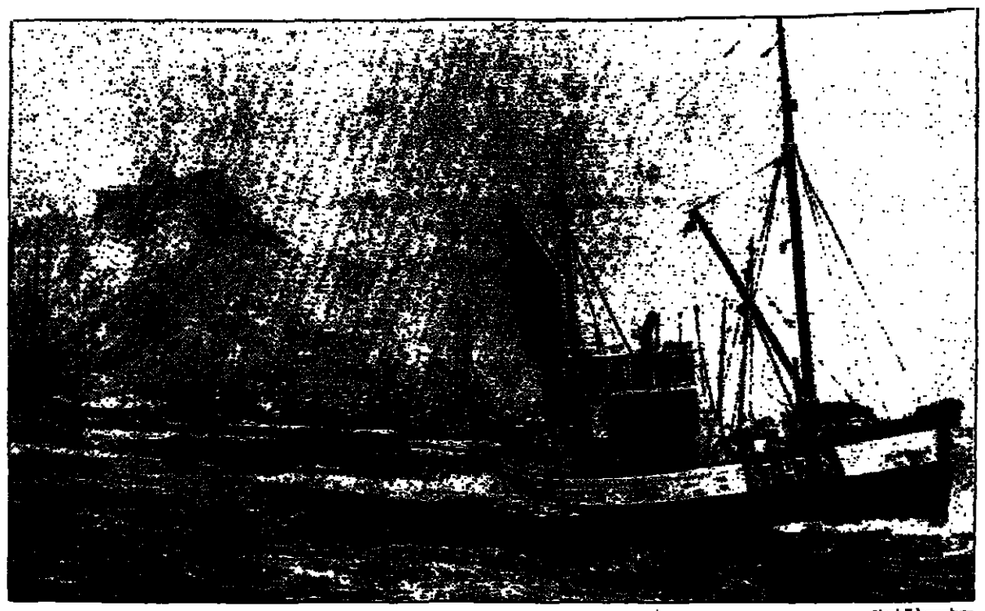
Continued loss of market shares would further cause a decline in economic growth toward the end of the decade, particularly in sectors exposed to competition.

State debt abroad, which amounted to over 30 billion kroner some years ago, has been eliminated, and there was no need to start borrowing abroad this year. But the need could arise again in order to cover budget deficits, perhaps as early as next year. The government could also borrow on the domestic market, but this could cause interest rates, among the highest in Europe, to rise even further.

The Norwegian economy is generally characterized by such elements as state subsidies to industry, farming and fishing, and various forms of guarantees and other measures to maintain employment in industries that would otherwise not survive.

However, the economy is basically strong, with an abundance of energy and a role for Norway to play as a major energy supplier to Europe. The problem for the immediate future is to convince Norwegians, accustomed to their place among the richest countries in the world, that their economy is overheated.

HENRY HENRICKSEN, a journalist in Oslo, is a former political correspondent for the Norwegian News Agency.



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Cod is becoming increasingly important in aquaculture and experimentation.

Fishing Industry Turns to Farming

By 1990, sales of farmed salmon are expected to increase almost fourfold.

By Tony Samstag

OSLO — In response to the devastation during the 1970s of the North Sea fisheries by overexploitation, Norwegians have turned their technical inventiveness to fish farming, particularly of salmon.

The result has been explosive growth. By 1990, sales of farmed salmon, easily the most important of the new "cash crops," are expected to have increased almost fourfold, from $117 million last year to about $450 million.

Goods and services attendant on the aquaculture industry could be worth $164 million, while the number of Norwegians employed in some aspect of fish farming could triple, from 4,000 to 12,000.

Norway already accounts for about 80 percent of the world's farmed salmon production. Since 1974 the national output has increased from about 600 to more than 30,000 tons annually, and that total could double by the end of next year.

The Norwegian Council for Scientific and Industrial Research predicts that international demand for salmon will reach 120,000 tons by 1990. Since the other countries engaged in fish farming would be unlikely to supply more than 40,000 tons, about two-thirds of this market would be open to Norway.

Although the U.S. market is likely to remain the largest for the foreseeable future, the Japanese are rapidly increasing their salmon consumption. Norwegian exporters supplied about 75 percent of Japan's fresh salmon imports last year.

Although salmon and, to a lesser extent, trout will continue to reign supreme for some time to come, other fish, such as cod, halibut, turbot and sole, and scallops are becoming increasingly important in Norwegian aquaculture and experimentation.

Fish farming and management companies have established operations as far afield as Greece, the Soviet Union and Gambia. A Norwegian research foundation has set up an international center for aquaculture in Rome, with extensive United Nations involvement.

Among the more interesting projects are several based on a technique known as sea grazing, where fish are herded rather than farmed in rivers and coastal waters. Cod, for example, have been conditioned in three days to respond to an automatic feeding signal so that they can be more or less left to their own devices in a fjord until roundup time.

There are fears, in fact, that this particular export might be a little too successful. Petter Thomassen, the former minister of industry, warned in January that, although 1985 had been a record year for the fish-farming industry, with turnover increasing by almost 50 percent to $186 million, too much capital and know-how could leave the country if the government did not encourage more investment at home.

Traditional fisheries, meanwhile, continued to decline last year, although several good spawning years for herring and cod have raised hopes of a possible recovery. The total 1985 catch of 2.19 million tons was 400,000 tons down on the previous year, and the smallest catch since 1964, according to the Directorate of Fisheries.

The value of that catch rose slightly, however, from $565 million to $570 million, although the cod catch declined. Total herring catches were well up on 1984. Government subsidies, designed to keep fishermen and processing industries from leaving northern and western coastal towns for jobs in the cities, totaled $170 million, about the same as 1984.

Norway is still among the world's top 10 fishing nations, accounting for 3 percent to 4 percent of the total catch. About 50 percent of each year's catch is exported.

But one aspect of the Norwegian fishing tradition is most unlikely to survive the decade: whaling. With the decisions of the Soviet Union and Japan to accept, however reluctantly, this year's world moratorium on commercial whaling, Norway is isolated in the International Whaling Commission and thus finding it more difficult than ever to justify its objection to the ban.

Although Norway's whaling activities span a thousand years and have been a vital part of national tradition, in practice whaling has dwindled to a perfunctory catch of diminishing quotas of minke whales, primarily in coastal waters and the Barents Sea. This year's quota has just been set at 400, about half the 1985 catch. Whaling employed about 800 Norwegians last year, with a fleet of 50 ships.

TONY SAMSTAG is the Nordic correspondent for The Times of London. He is based in Oslo.

At Sea, Smaller Fleet Keeps Its Sales High

STAVANGER — Last year broke contradictory records for Norwegian shipping. The Norwegian-registered fleet declined during the year by the equivalent of the entire West German foreign-going fleet. But Norwegian shipowners had a record aggregate turnover at $6.7 billion.

Norway has devised a number of strategies for riding out the world slump in shipping. As a result, it has been able to maintain by far the biggest merchant fleet in Western Europe and a passenger cruise capacity that has been estimated only half jokingly to exceed the whole of the Norwegian tourist industry.

As early as 1981, the government made the crucial decision to liberalize flag transfer policies. The Norwegian Shipowners' Association estimates that a product tanker or bulk carrier of 80,000 to 100,000 tons can save 4 million Norwegian kroner ($546,000) annually in labor costs by "flagging out" and employing non-Norwegian crew.

On Jan. 1, the Norwegian registered fleet in foreign trade totaled 667 ships. Net reduction in 1985 was 87 ships, reflecting a fleet reduction of 142 ships against an increase of 55 ships, mostly offshore service vessels and small dry cargo ships.

The fleet registered abroad with Norwegian-owning interest now totals 349 ships, having increased by 46 ships during 1985.

On order at the turn of the year were 43 ships under Norwegian flag and 31 ships under foreign flag. The Norwegian registered fleet of rigs totaled 27 units, with seven under order; 25 rigs were registered abroad, with one under order.

An industry think-tank in February proposed aggressive "freedom of action" strategy to reverse the decline in employment and increase the number of jobs in the Norwegian fleet from 92,000 to 120,000.

Among its more controversial recommendations is load remuneration for lower-ranking foreign seafarers on Norwegian ships. While the shipowners understand the reasons for the world trend to flags of convenience, they fear the virtual extinction of the Norwegian fleet if that trend is not slowed or reversed. "Activity may be high but profitability is low" they argue.

Cruise traffic remains healthy, and the Norwegians have initiated some exciting innovations. Although plans have been mothballed for the Phoenix, a 250,000-ton ship that would have carried 4,000 passengers, the Sovereign of the Seas, at 70,000 tons the world's largest cruise vessel, is due for delivery to the Royal Caribbean Cruise Line by the end of next year.

New cruise ships are also being designed with sails and computerized rigging. The Norwegians seem to have an affinity for the catamaran. The Phoenix would have been the largest such vessel. A less ambitious catamaran was designed by Fjellstrand AS to carry up to 400 passengers and to travel from 32 to 36 knots. It attracted $11 million in advance orders even before the prototype was finished.

Tony Samstag

Cheaper Oil Will Benefit Fertilizer Industry

OSLO — Sharply lower oil prices present a mixed picture for Norwegian industry, economists and businessmen say. The fertilizer and chemical industries, using petroleum and gas-based raw materials, will benefit, but the offshore-related sector, particularly companies serving oil exploration activities, is expected to suffer.

In the longer term, economists say, a setback for the offshore and oil-related industries may not be all bad. It could take pressure off "mainland" wages for skilled personnel and reduce shortages of engineers in some sectors.

Apart from the effects of oil price fluctuations, Norway, like its Scandinavian neighbors, has a system of wage formation that drives up labor costs more than in the rest of Europe. Like other small countries, Norway also has inherent constraints on the availability of venture capital for entrepreneurs.

As a heavy user of hydroelectric power, its industry will not benefit from lower energy prices to the same extent as competing, oil-consuming industries in other countries.

"The positive effects of lower inflation in Europe and the U.S. will have positive consequences in markets for Norway's industries," said Tor Steig, senior economist of the Norwegian Federation of Industries.

"The lower petroleum prices will be detrimental to our oil and gas earnings, but there will be benefits, such as to our agricultural business, where fertilizer production costs are high," according to Finn Hvistendahl, senior vice president for finance at Norsk Hydro A/S, the nation's largest industrial group. "We are the largest producer of fertilizer in Europe and one of the largest in the world," he said.

In 1985, Norsk Hydro had after-tax profits of 2.08 billion kroner little changed from 2.017 billion kroner in 1984. About half of the net was derived from the oil and gas business. Sales for 1985 rose to 41.9 billion kroner from 35.5 billion kroner in 1984. About 90 percent of sales were outside Norway.

Norsk Hydro is not typical of Norwegian industry, analysts say. In the mainland sector that will gain relative importance as oil revenues fall, the losses to foreign competitors show in Norway's growing current account deficit when oil and gas exports are excluded.

Meanwhile, other factors eating away at the competitiveness of Norwegian industry remain, such as the lock-step pattern of wage increases.

"We have no wage flexibility in Norway, and that is a real pressure point," Mr. Steig said.

Industrial operating profits in Norway remained high in 1985, although down 11.5 percent from the record levels of 1984. Production by manufacturing industries rose 2.6 percent in volume terms from 1984.

Figures compiled by the Industry Federation, however, contain warning signals. Operating profits of export-competitive industries fell 24.1 percent to 4.4 billion kroner, but the 1984 figure had doubled from 1983. According to Mr. Steig, some of the drop was due to lower aluminum prices, while earnings remained good elsewhere.

Nonetheless, the industrial sector, even without the oil-related industries, remains heavily reliant on raw materials and partly processed products that are often cyclical. Foreign analysts say that from an investor's viewpoint, the best strategy for Norway is a careful and selective approach.

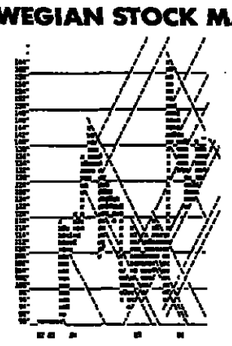
Sanjiv Pandya, with Savory Milln Ltd., a London securities brokerage house, said: "We are looking for niche companies. Within industry, we are looking for the enterprising units." Besides obviously outstanding performers such as Norsk Data, the Norwegian computer maker, Mr. Pandya pointed to lesser known companies such as Dyno, a maker of explosives and of plastic automobile fuel tanks.

Mr. Steig at the Industry Federation thinks that with the oil and offshore sector cooling, the chances of a new Norsk Data-style entrepreneurial venture getting started are increasing.

Indeed, the past two or three years have witnessed a sudden burst of venture capital funds specializing in biotechnology and electronics, some of them backed by existing smaller and medium-sized high-technology companies, and even big names like Norsk Data.

Juris Kaza

NORWEGIAN STOCK MARKET



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Military Policy ■ Foreign Relations ■ The Environment

NATO Arms Buildup Set Off a Continuing Debate Over Defense

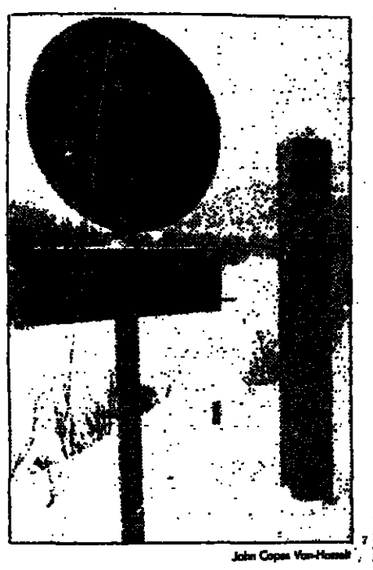
By John C. Ausland

OSLO — Not long ago, there was a demonstration of the priorities in Norway these days. On April 7, the then Prime Minister Kaare Willoch gave an address to the Military Society on Norway's security situation.

The speech was intended to be a major statement of policy. At midnight that night, the largest labor conflict since 1931 began. As a result, the speech disappeared into a bottomless well.

Even though the focus today is on how to divide the economic pie, the debate about Norway's security policy is by no means over.

This discussion was slow to get under way. Officials began to worry about the Soviet



John Copas Van-Hasselt

Marking the Soviet border.

military buildup on the Kola peninsula in the late 1960s. In the early 1970s, however, everyone was preoccupied with the question of whether to join the European Community. When a majority of the voters turned their thumbs down in 1972, attention moved to the development of the oil and gas resources in the North Sea.

Two events precipitated the security debate that erupted in the early 1980s. Norwegians awoke to North Atlantic Treaty Organization plans to deploy U.S. missiles in Western Europe to counter the Soviet SS-20s. As a result of an article in The New York Times, they learned about U.S.-Norwegian negotiations regarding a proposal to pre-position materiel for a U.S. Marine brigade in Norway.

Norwegians also learned that there are a number of electronic installations in Norway that keep up with Soviet activities in the region. Mr. Willoch referred in his speech to the "surveillance from Norwegian territory of the military activity that takes place in the waters and air around Norway . . ."

Ten years ago, a Norwegian prime minister would not have made such a statement, because these installations were cloaked in secrecy. Norwegian politicians were concerned that, if the opponents of NATO found out about them, it would cause an uproar.

The public did not learn about them from the government but from researchers and journalists, a number of whom have found themselves in court. All have been found guilty of publishing secret information, but none has as yet served any time in jail.

In his speech, Mr. Willoch devoted considerable attention to the preparations that are under way for the receipt of allied reinforcements. There can be little question that the 1980s have seen a fundamental change.

Until recently, most Norwegians did not understand the difference between exercising and fighting. They did not realize that, in combat, forces consume large quantities of ammunition and other materiel. They assumed that, if they got in trouble, all the forces that exercised in Norway would come to their rescue.

If this had been true, the reinforcements would have been formidable. The NATO Allied Mobile Force, U.S. Marines, U.K. Commandos, elements of a Canadian brigade, and allied fighter squadrons have exercised regularly in Norway.

The reality, however, has been different. In the early 1970s, the only U.S. reinforcement unit for which there was materiel stockpiled was a U.S. fighter squadron. Even if the Pentagon had decided to send a U.S. Marine unit to Norway, it would have taken weeks to get it here by sea. The same was true of the Canadian brigade.

As Mr. Willoch pointed out in his speech, today the pre-positioning of materiel for a U.S. Marine brigade in central Norway is well along. As part of this package, the Norwegians committed themselves to pre-position equipment for a second south Norwegian brigade in northern Norway. Mr. Willoch noted that this will get under way this year.

Mr. Willoch also referred to a program to reinforce the Norwegian Air Force with a number of U.S. fighter squadrons. He was referring to the U.S. Air Force's Collocated Operating Base (COB) program. This provides for the deployment of about 1,400 aircraft to Western Europe in a crisis. Eight squadrons, or about 160 aircraft, are due to come to Norway. Pre-positioning of enough materiel to permit these aircraft to fight for seven days without resupply is nearing completion. The emphasis now is on building additional hardened shelters.

John Copas Van-Hasselt

Norwegian troops join NATO 'Cold Winter' excercises.

NATO AWACS warning and control aircraft exercise regularly from an airfield in central Norway. These would greatly increase the capability of fighter aircraft to cope with any Soviet air attack.

The plans regarding the U.S. Marines and aircraft were controversial for a while, but Norwegians now take them pretty much in their stride. Attention has shifted to the Norwegian Sea, where both the Soviet and NATO naval forces have become increasingly active. Last year, both conducted large exercises. The Soviet Summerex 85 was the largest to date and employed units from the North, Baltic and Black Sea fleets.

The NATO exercise, Ocean Safari 85, introduced several new wrinkles. Three carrier battle groups took part. In the past, only one carrier has showed up for exercises in the Norwegian Sea, on its way to the Mediterranean. Secondly, one of the carriers, the America, moved into a Norwegian fjord. This did not work as well as hoped. The mountains did not provide adequate protection against air attacks, and a Norwegian submarine got into position to torpedo the carrier.

With all this allied activity, the Norwegians feel little incentive to step up their own defense effort. The chief of defense, General Fredrik Bull-Hansen, asked for budget increases of 6 percent to 7 percent. Instead the new government headed by Gro Harlem Brundtlandt has announced that it will reduce the budget increase to 3 percent.

If the Norwegian economy deteriorates under the pressure of low oil prices and higher production costs in industry, General Bull-Hansen will be lucky if he does not get a further budget reduction.

JOHN C. AUSLAND, a former U.S. foreign service officer who lives in Oslo, contributes to the International Herald Tribune's editorial page. His next book, "Nordic Security and the Great Powers" (Westview Press, Boulder, Colo.) is to be published in the fall.

Acid Rain From U.K. Is the 'Invisible Foe'

By Chris Mosey

OSLO — When Prime Minister Margaret Thatcher of Britain visits this quiet, almost provincial, backwater of a European capital in September, she will be stepping into enemy territory in a long-running, undeclared silent war.

Centuries of friendly relations between Britain and Norway are now threatened by hostilities over the explosive Nordic issue of acid rain.

Mrs. Thatcher is accused by Norway of intransigence in what is being described in Oslo as "the most serious dispute with Britain since Viking times."

Britain is the principal exporter of acid rain to Norway. Pollution from heavy industry on the British east coast is carried by prevailing winds across the North Sea to fall in precipitation, killing fish and plant life in thousands of lakes and rivers.

It is estimated that 80 percent of the freshwater lakes and streams in the southern part of the country are either dead or on the critical list. Fish have been eliminated in more than 13,000 square kilometers (4,932 square miles) of lakes.

Sulfur is being deposited at the rate of 10 to 30 kilograms (22 to 66 pounds) per hectare (2.47 acres) per year, nitrogen at a rate of 5 to 15 kilograms per hectare per year.

Norway's 4.5 million inhabitants see acid rain as one of their nation's most difficult problems. It has been described as "the worst environmental threat ever to hit us" and "a creeping catastrophe, an invisible foe."

Mrs. Thatcher, who has thus far resisted pressure to cut Britain's sulfur emissions, will be a suddenly visible target for the anger felt here. She is liable to face demonstrations on the street and polite but firm pressure to change her policies from government officials.

"It will be made very clear to Mrs. Thatcher that Britain must join with other nations in reducing emissions by 30 percent as a first step toward beating acid rain," a member of former Prime Minister's Kaare Willoch's staff said.

The proportion of "imported sulfur" in Norwegian air is 63 percent, one of the highest in the world. Britain is said to be responsible for 18 percent of this total but is one of the few source countries to have remained unsympathetic to cutting sulfur emissions.

There is an eerie beauty about a lake "killed" by acid rain. Its waters are exceptionally clear and still and its bed is coated with perfectly preserved leaves. Nothing moves.

Death usually comes during the spring when the winter snows melt and the pollution they hold pours into lakes and rivers. The granite under the thin top soil prevents absorption. In more fortunate countries, chalk can neutralize the acid effect, at least to a certain extent.

> Mrs. Thatcher is being accused of intransigence in the worst crisis since the Vikings.

The first alarm signals on acid rain came from Norway. In 1926, the Inspectorate for Freshwater Fisheries blamed the sudden death of alarming numbers of newly hatched salmon fry on water acidity.

But for years Norwegian warnings and statistics on the phenomenon were ignored by the world at large, and it was not until 1972 at the Stockholm Conference on the Human Environment that Norwegian scientists were given an international forum for their views.

After this acid rain became newsworthy.

In 1975, melting snow containing pollution was blamed for the deaths of large numbers of fish in the Tovdal River in southern Norway.

But it was only when scientists elsewhere, following up the Norwegian ground research, began to unearth evidence on the dangers of acid rain, that the phenomenon began to attract greater attention.

It was revealed that acid rain had probably eroded iron railroad tracks in Poland's Upper Silesian industrial area and had damaged historic buildings in Krakow. It was also thought to be partly responsible for damage to Cologne Cathedral and for damaging the Acropolis and the Parthenon in Athens.

It was then discovered that it was also killing trees in the forests of West Germany.

Meanwhile, Norway's Central Bureau of Statistics has just carried out a survey of the effects of acid rain in the southernmost part of the country and has revealed that the mortality rate for persons suffering from senile dementia is higher there than it is in the rest of the country.

Scientists think this may be because more acid rain falls in the southern part of the country than elsewhere and that polluted drinking water is responsible.

The project's leader, Tiril Vogt, said the mortality rate is highest along the coastal strip from Lindesnes in the south to Vestfold county in the north.

If his preliminary findings hold up, he said, acid rain, primarily from Britain, is now actually prematurely aging and slowly killing Norwegians.

CHRIS MOSEY is a Stockholm-based correspondent for The Observer of London.

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Made in Norway

Designing for Use

By Michael Brady

OSLO — How would we manage without the lowly paper clip? Millions are used every day, without thought that they haven't always been around. The handy, ubiquitous paper clip is not even a hundred years old, and its origin is as uncelebrated as its uses are universal.

It was designed and patented in 1899 by Johan Vaaler, a farmer, teacher and patent office clerk of Aurskog, Norway.

Although Norway has no Silicon Valley, high-tech innovation is rapidly becoming the country's best-known design sector. An example is the computer maker Norsk Data, which found that mini-computers were ideal for middle management tasks.

Other Norwegian designs show an awareness of the efficiency of tasks and human movement. The cheese plane that cuts wafer-thin slices when drawn over a block of hard or semi-hard cheese was designed in 1925 by the furniture maker Thor Bjoerklund of Lillehammer; the cheese plane is now the unquestioned leader among domestic and exported utensils.

A more recent design is the Balans variable chair, which supports the body with an inclined seat and kneepad, instead of the conventional horizontal seat and vertical back. The inclined-leg position prevents curvature of the lower back, a common cause of backache. Designed in 1979 by Peter Opsvik, the chair is exported by the maker, Stokke, to Central Europe, Britain, the United States and Japan.

MICHAEL BRADY, a freelance journalist, specializes in science, technology and leisure.

The Balans variable chair by Peter Opsvik.

Banking

Currencies Boost Profit for Banks

By Juris Kaza

Institutions seek broader clientele.

OSLO — A growing share of Norwegian commercial bank profits will be coming from "off the balance sheet" revenues such as foreign exchange and securities trading, bankers say. Internationally, Norwegian banks will seek more general and project finance business to replace the diminishing demand for loans for North Sea oil-related projects.

Spearheaded by their major role on the foreign exchange markets, Norway's largest banks are starting to see themselves more and more as exporters of financial services to a worldwide clientele.

These developments mean that Norway's few big commercial banks will be strengthened at the expense of medium-sized and smaller lending institutions, according to banking sources.

To counteract this, a government commission has proposed laws to prevent the further concentration of Norwegian banking by limiting mergers and acquisitions by Norway's largest banks. These are expected to be passed by the right-of-center coalition in the Norwegian parliament, the Storting.

After a sharp 32-percent rise in new bank lending following deregulation last year, the Bank of Norway reimposed some controls on credit in January. Bankers, however, consider this a temporary measure to cool consumer spending rather than a reversal of the liberalization of Norway's financial markets.

"There will be a contraction of offshore finance and an increase in other types of energy financing and project finance," said Leif Terje Loeddesoel, president and chief executive officer of Den norske Creditbank, Norway's largest commercial bank.

The Norwegian banks' share of offshore and oil-related financing has been relatively small. It was around 4.4 billion kroner ($630 million) in Norwegian kroner and foreign-currency loans in mid-1985, the latest period for which figures have been compiled, according to Knut Jyllum, a Norwegian Bankers' Association official. Most of the exposure in the sector has been carried by foreign banks.

"In 1985 all the banks had some losses on offshore lending and shipping," Mr. Loeddesoel said, adding that most Norwegian banks had built up reserves against these risks. "I don't see that any banks in Norway will have difficulties because the oil price falls," he said.

If anything, then, increased domestic competition is putting pressure on Norway's banks. "The interest margin in 1985 decreased to 3.16 percentage points from 3.58 percentage points in 1984," said Ulf Berg, a director of the Bankers' Association. "This means that competition between the commercial banks is much harder than before."

With only the "big three" — Den norske Creditbank, Christiania Bank og Kreditkasse and Bergen Bank — having any large-scale international business, earnings came under pressure last year at most smaller commercial banks.

"Earnings as a percentage of net assets were 1.73 percent in 1985 for the big three banks, compared to 1.72 percent in 1984," Mr. Berg said. "For the others, it dropped to 1.41 percent in 1985 from 1.56 percent in 1984. In 1986, it looks like the tendency will continue."

At Den norske Creditbank, the deputy managing director, Harald Moen, pointed out that earnings for the parent bank rose past 1 billion kroner in 1985 for the first time to 1.029 billion kroner.

JURIS KAZA, a journalist based in Stockholm, contributes regularly to the International Herald Tribune's business pages.

A Wary Glance in the Direction of OPEC

Continued from Page 7

government may recoil from ordering a sizable cut in Norwegian oil production, though such a move apparently has not been ruled out. One possibility, according to oil executives and analysts here, is that Norway would merely offer informal assurances about a leveling off of production in the future.

Present development plans indicate that Norway's oil production will rise to about 1.2 million barrels a day in the early 1990s from the current 900,000, which accounts for about 2 percent of oil supply in the non-Communist world. One oil adviser to the ruling Labor Party suggested that the government might encourage oil companies to stay within that projected output. In the past, Norway's oil production has tended to outrace official projections.

Britain, which produces nearly three times as much oil as Norway, has repeatedly rejected the idea of cooperating with OPEC. But some other non-OPEC producers, such as Mexico and Egypt, have made tentative offers of help.

Many Norwegians argue that such cooperation is incompatible with Norway's role as a Western industrial nation belonging to such bodies as the North Atlantic Treaty Organization and the Organization for Economic Cooperation and Development.

"We belong to the other side, and we work by other means," said Arild Roedland, who was deputy oil minister under the former government.

Lars U. Thulin, a former Labor government minister who now serves as an executive vice president at Den norske Creditbank, said any Norwegian production cut would not help the oil market beyond "a day or two or maybe a week."

Others argue that prices will remain weak as long as the OPEC countries have the capacity to produce far more oil than they can sell. Another fear is that foreign oil companies will see Norway as a less desirable place to operate if the companies cannot produce as much as they expected when they made their investments.

Many politicians, however, are grasping at any possible means of supporting oil prices. "We have to do something," said Reidar Due, a member of the energy committee in the Storting, or parliament. He noted that Norway, with its high-cost offshore oil production, was no match in a price war for Saudi Arabia, which could show a profit even with oil prices below $5. At that price, he said, "we would be out of the oil business."

Whatever OPEC accomplishes in Yugoslavia, Norwegian oil executives are bracing themselves for at least a few years of low and widely fluctuating oil prices. To stay in the oil business, they are counting on lower taxes and higher technology, rather than on OPEC.

Mr. Oeien, the oil minister, has said the government plans changes in the oil tax system, widely considered the harshest in the world, with levies consuming as much as 85 percent of oil-production profits. Oilmen expect to be offered more attractive tax terms for development of future fields. Without such tax breaks, they say, oil companies would refuse to develop new fields, including the giant Troll gas field, which dominates Norwegian energy prospects for the 1990s.

"I think something fairly radical is required to get some new investments off the ground," said Peter Kassler, managing director of Norske Shell, a unit of the Royal Dutch/Shell Group.

To develop new North Sea oil fields with existing technology, oil companies generally figure they need to expect prices of at least $20 a barrel. Thus, less costly production methods are under study. Instead of installing more fixed production platforms in the sea, oilmen expect to make greater use of floating platforms or subsea equipment for extracting oil.

"For Norway, it's a question of getting used to driving a Volkswagen instead of a Mercedes in the North Sea," said Willy H. Olsen, public affairs manager at Statoil, the state-owned oil company.

That is a grim prospect for the former shipyards that were converted in the 1970s to build big traditional production platforms. The number of man hours of oil-development work at such yards will shrink by 90 percent between now and 1989, estimated Nils Opdahl, an official at Norway's federation of engineering industries, known as the MVL.

Low-cost technology is fine, Mr. Opdahl said. "The problem is that the oil companies are reducing spending for new technology," he said, "and that is what we fear."

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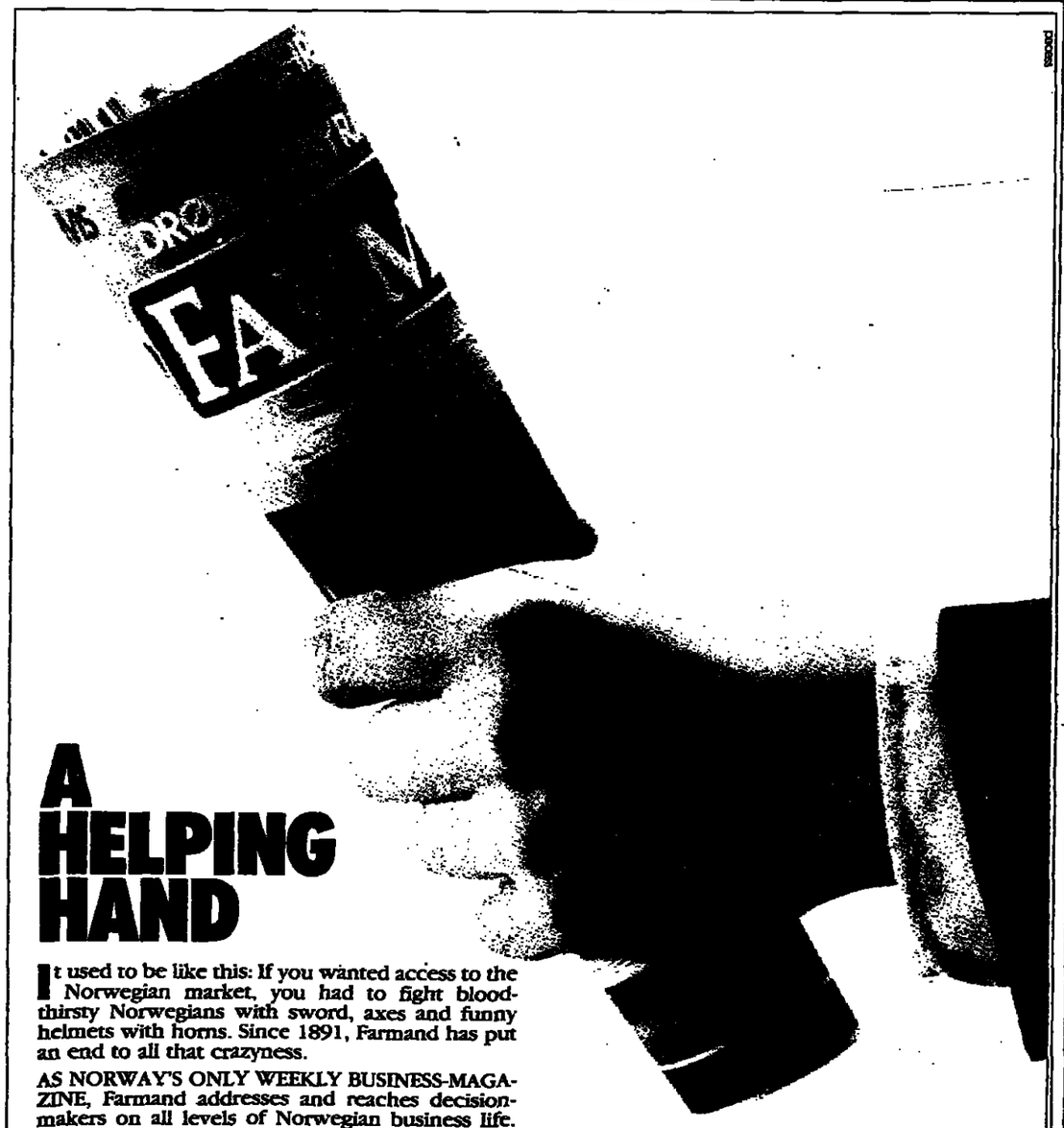

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May 1986

SCIENCE

$30-Million Arizona Desert Project to Test Feasibility of Space Colonies

By William J. Broad
New York Times Service

ON a high plateau in the Arizona desert, construction has begun on a $30-million project designed to test the feasibility of self-sustaining manned bases on the Moon or Mars — or on an earth ravaged by nuclear war.

When the prototype "Biosphere II" structure is completed in 1989, its developers say, eight volunteers will be sealed inside it for two years, cut off from everything except sunlight. They will become part of an intricate ecosystem that includes miniature oceans, rain forests, marshlands and deserts, all contained in an airtight shell of steel and glass.

Everything in this manmade world will be recycled. Carbon dioxide exhaled by humans will be used by plants, while oxygen given off by the plants will revitalize the air for human breathing. Human wastes will provide fertilizer for land crops and feed algae, bacteria and water plants, which in turn will feed fish.

The trick, which has never been accomplished on such a grand scale, is to keep all the life cycles balanced enough to avoid an ecological disaster.

"Biosphere II" — its creators consider the earth itself to be "Biosphere I" — is still mostly a dream, although the Arizona site is alive with crews working to design and test prototype parts of the proposed 2.25-acre structure (about nine-tenths of a hectare).

Who is putting up $30 million? Visitors to the Space Biospheres Ventures site in Arizona are given brochures outlining a complex web of management and venture capital concerns, but the financial power behind the vision is one man: Edward P. Bass, the maverick son of a multibillion-dollar Texas oil family.

Bass, whose interests include communes and survivalist groups, is chairman of Decisions Team Ltd., which controls, in addition to Space Biospheres Ventures, a 300,000-acre ranch in Australia, a hotel in Katmandu, Nepal, and Caravan of Dreams, an avant-garde performing arts center in Fort Worth, Texas.

DESPITE its somewhat eccentric origins, the Biosphere II project is generally praised for its originality by scientists familiar with the difficulties of life support systems, although they say serious questions remain about its feasibility.

Dr. James H. Bredt, chief of biological systems research at the National Aeronautics and Space Administration in Washington, said: "It will be a very interesting piece of technology. There will be many lessons for us in this kind of thing."

Space Biospheres Ventures has also caught the eye of the National Commission on Space, a presidential group assessing the future of the American space program. Its report, made public last month, envisions people living on the Moon and Mars within the next 50 years. "To explore and settle the inner solar system, we must develop biospheres," says the report, which lauds the Tucson project.

Biosphere II is being developed on a 2,500-acre ranch in the foothills of the Santa Catalina Mountains. Already operating at the site are several spacious greenhouses where crop and fish species are being selected for the two-year test. Waste-treatment systems that would use bacteria and other organisms to break down animal wastes are also being tested.

Already, studies have identified design problems. One of the biggest challenges involves the air inside the air-tight structure. Workers are building large prototype "bellows" intended to compensate for the expansion of the air under the desert sun and its subsequent contraction in the cool nights.

They are also building a small, metal-framed structure to evaluate different types of glass and glazing for the large habitat.

Most interesting of all, 12 candidates are also at the site competing to be chosen as "Biospherians," the eight people who will be sealed in the complex. They are learning skills needed for survival in an artificial environment.

"THE safety in the system is its complexity," said Margret Augustine, project director of Space Biospheres Ventures and the person who will select the participants. She said the group's approach was "synergistic," in which each living part of the ecosystem works with every other to achieve a delicate balance, in contrast to the "reductionist" life-support systems developed by the space agency.

Space Biospheres Ventures has hired prestigious scientific talent to help build and run the project, including the Smithsonian Institution's Marine Systems Laboratory, the New York Botanical Garden's Institute of Economic Botany and the University of Arizona's Environmental Research Laboratory.

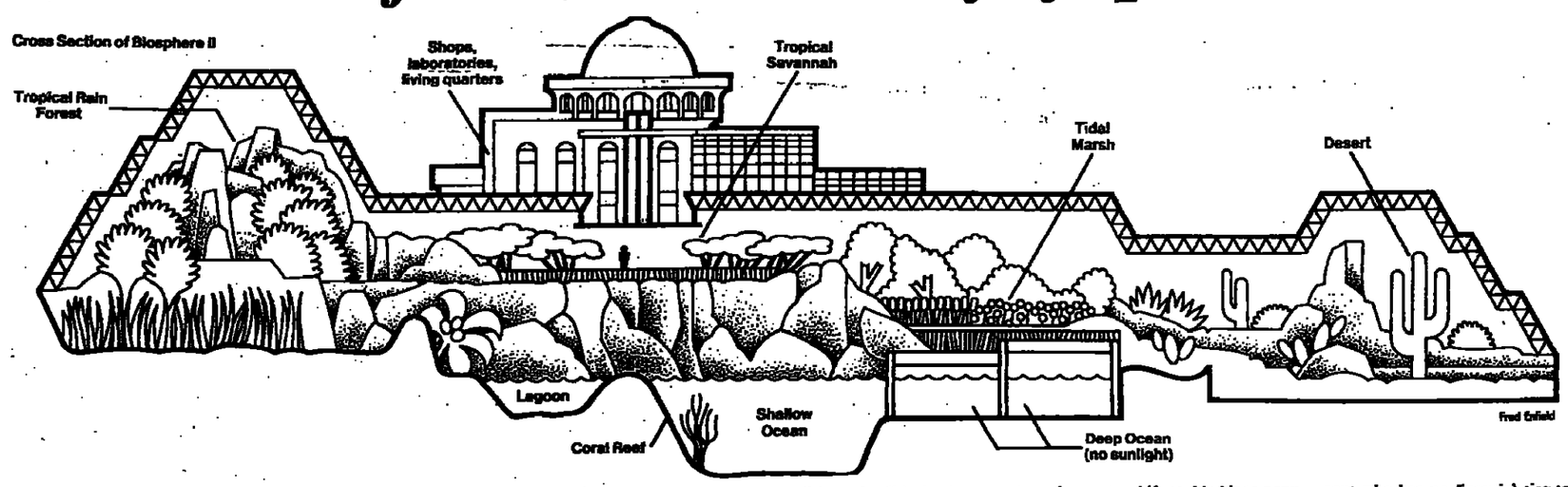
"By the time Biosphere II closes, we'll have run thousands of experiments on everything from glass sealants to computer models of the overall dynamics," said Dr. Carl N. Hodges, director of the university laboratory.

Despite advances so far, some scientists voice doubts about the project's feasibility. "One question is whether it's big enough," said Bredt of NASA, noting that the most complex sealed ecosystem to date has been a simple sphere containing shrimp, plants and bacteria. "People are a good deal more complex than shrimp, and it may turn out that the environment will not have enough diversity. It may turn out they have to do a lot of engineering and mechanical intervention to make it work."

Bredt also expressed skepticism as to whether such large structures would ever exist on other planets. "Eventually you have to get back to the brute realities of having to launch space systems," he said.

If the Biosphere II experiment is successful, by 1992 Space Biospheres Ventures hopes to begin to produce and market biospheres.

Perhaps the most controversial use for commercial biospheres is as refuges where a few people could be protected from the "nuclear winter" that some scientists say would follow a nuclear war.



John Allen, executive chairman of Space Biospheres Ventures, has referred to such apocalyptic applications in talks and writings. In "The Biosphere Catalogue," a 240-page publication of Bass's London-based Synergetic Press, Allen, who once ran a commune in New Mexico and who has written plays and poetry for Bass's arts complex in Fort Worth, outlines his vision of how "higher forms of life" could survive the destruction of civilization in biospheres he calls "Refugia."

"A hundred Refugia protected by their own energy resources in mountain caverns could release full-scale life" back into the Earth environment "after the skies begin to clear," he said.

"Perhaps even the existence of the Refugia," he added, "could bring home to people and states the gigantic risks they run and thus alter the behavior itself."

Some scientists are skeptical of the feasibility of building such refuges, citing many unknown danger factors, including possibly high levels of radioactivity.

Lawrence Veysey, who spent five weeks in the commune run by Allen in New Mexico in 1971 while researching his book "The Communal Experience: Anarchist and Mystical Communities in Twentieth Century America," said he found the idea, even if feasible, too elitist and political to be attractive.

"It has all kinds of implications," he said. "If you can survive nuclear winter, it makes nuclear war thinkable. The Biosphere is a demonstration project that fits in with the political thinking of the right wing. A more liberal kind of person might wonder why you should sink all that money into something for the survival of only a few people."

Regardless of earthly politics, scientists say the technology must be mastered if mankind is to populate the inner solar system.

"Clearly, they will be necessary for serious settlement of the space environment, and, perhaps as important, for preserving certain species on earth," said Russell L. Schweickart, a former Apollo astronaut who is a paid member of the project's 10-person project review committee.

Joseph P. Allen, a former astronaut who has no financial ties to the organization, also voiced enthusiasm about its potential. "It's a grand experiment," said Allen, who is executive vice president of Space Industries Inc. of Houston. "You don't really know the chances of success. But a great deal, an enormous amount, will be learned about closed ecology. That precludes the question of success or failure. It almost doesn't matter what happens."

IN BRIEF

Australia Bear Linked to China Panda

SYDNEY (AP) — A scientist examining fossils found nearly 20 years ago in Papua New Guinea says he has identified the remains of a giant marsupial bear that may be the evolutionary ancestor of China's giant panda.

The pouched animal probably weighed about 200 kilograms (440 pounds) and browsed through bamboo groves of tropical mountain rain forests on its hind legs, said Dr. Tim Flannery, curator of paleontology at the Australian Museum. "It's the first suggestion that giant marsupials could live in this type of climate and roam about standing erect," he said.

Dr. Flannery said carbon dating put the age of the fossils at about 38,000 years. He said the bear apparently was hunted to extinction by Stone Age tribesmen.

Chambered Nautilus Embryos Found

PHILADELPHIA (AP) — Scientists have fulfilled a century-old quest for fertilized eggs of the chambered nautilus, which they hope will help them unlock mysteries about the evolution of one of the world's most beautiful and ancient creatures.

For the past 100 years or so, naturalists have looked for embryos of the nautilus. Among those searching has been John Arnold of the University of Hawaii. "We have here an animal that essentially has been unchanged for millions and millions of years, and we know nothing about its embryology," he said. Mr. Arnold spent 10 years looking for fertilized eggs in the ocean, but finally found them in the Waikiki Aquarium in Hawaii. Mr. Arnold said he had only begun to analyze the embryos but he hopes the work will reveal — among other things — how the nautilus and its cousins, the squids and octopuses, are related to other mollusks.

Windsurfers Affected by Pollution

WASHINGTON (AP) — Windsurfers, who skim the waves on surfboards driven by handheld sails, may become ill or infected if they fail to heed the same pollution warnings as swimmers, a new public health study reveals.

The study by a trio of Canadian researchers, reported on in the American Journal of Public Health, looked at what happened to 79 world-class windsurfers who competed for nine days in 1984 on a polluted bay and took an average of 18 falls into the water during their races.

The results showed sharply higher risks of skin infection and digestive ailments than for people who stayed ashore. Gastrointestinal symptoms, such as diarrhea, vomiting and nausea, for example, occurred 5.5 times more frequently among the windsurfers than among a control group ashore.

Tests Raise Hopes of Jet-Lag Pill

NEW YORK (AP) — Scientists have reset the "biological clock" of hamsters by giving them a standard sleeping-pill drug, raising hope that similar medications could help people overcome jet lag and adjust more easily to new work shifts.

"It's the first step in trying to identify drugs that could affect the human biological clock," said Fred Turek, professor of neurobiology and physiology at Northwestern University, who reported the work in Nature magazine.

Wesley Seidel, director of the Center for Insomnia Research at Stanford University, said the drug, triazolam, had been shown to help travelers fight jet lag for short periods just by helping them sleep, but an earlier study did not look at whether it could reset the biological clock. Professor Turek said scientists still had to see whether triazolam affected the human biological clock and to find the proper dose and times to take it. If taken at the wrong time, it might worsen jet lag by shifting the clock in the wrong direction, he said.

Every status has its symbol.

Lufthansa

SPORTS

Pernfors Stuns Becker, Gains Semis As Leconte Breezes Past Chesnokov

The Associated Press

FRENCH OPEN TENNIS

PARIS — Mikael Pernfors, an unseeded Swede who played college tennis in the United States, upset third-seeded Boris Becker of West Germany here Wednesday to advance to the semifinals of the French Open tennis championships, where he will meet the remaining French hope, Henri Leconte.

With a boost from his former coach at the University of Georgia, Pernfors played aggressively and benefited from a flood of errors by Becker for a 2-6, 6-4, 6-2, 6-0 victory.

"I'm still shaking," said the winner. "I got what I wanted. I wanted him to play bad."

The eighth-seeded Leconte won his quarterfinal match with Andrei Chesnokov of the Soviet Union, 6-3, 6-4, 6-3, by using a forceful serve-and-volley game. "I went very often to the net," Leconte said. "I didn't stay back. If you stay back, you lose."

Pernfors relied on a mixture of baseline shots and charges to the net in beating Becker, the 18-year-old who last summer became the youngest grand slam champion ever when he won Wimbledon.

Both players were trained on surfaces faster than clay, and it showed as they battled at the net and went for winners on second serves.

In the early going, it was a truly entertaining match. Pernfors and Becker swapped powerful forehands and razor-edge volleys; one Pernfors cross-court was so hard it made the crowd gasp, but Becker chased it down for a winning return.

In another exchange Becker looked like a baseball centerfielder, running straight back to retrieve a lob and then flipping it two-handed over his head to keep the ball in play.

But in the end Pernfors was the more assertive and successful. He broke Becker to win the second set, then broke twice in the third set — including set point. Pernfors then breezed through the final set, breaking in the second, fourth and sixth games. Match point was a sizzling backhand shot down the line as Becker approached the net.

Of the final nine games, Becker won just one; he had eight double-faults on the day.

"He had a good first set, but in the second set started to play badly and let me back in the match," said Pernfors, whose coach at Georgia, Dick Magill, had flown to Paris to help him prepare for the semifinal.

So Pernfors keeps the Swedish success string going: Since 1978, at least one Swede has played in every men's semifinals at the French Open.

The host country has not been so fortunate, with no French semifinalists since 1983 and only five between 1963 and 1985. But Leconte kept the chances alive against Chesnokov.

The unseeded Russian never was able to display the powerful groundstrokes that helped beat defending champion Mats Wilander last Sunday, and Leconte scored point after point at the net after chasing Chesnokov deep into the corners.

He broke Chesnokov three times in the final set, the last time for the match.

Leconte moved to match point with a drop shot. He then won with another drop, off a reaching forehand from Chesnokov that was perfectly set up for the way Leconte was playing.

Leconte is the lone remaining French player in a tournament that started so hopefully for the home fans.

Yannick Noah, seeded fourth, was riding a hot streak. Leconte was eighth and playing well, as was Thierry Tulasne at No. 10. And unseeded Guy Forget was back on track after months of sub-par play.

But Tulasne fell in the second round, Forget in the quarterfinals, and Noah pulled out before his fourth-round match because of an ankle injury.

In Friday's other men's semifinal, top seed Ivan Lendl of Czechoslovakia will meet 13th-seeded Johan Kriek of the United States.

Luc Novarch/Reuters

Mikael Pernfors: "I got what I wanted."

Shahrastani Edges Dancing Brave to Win Epsom

Compiled by Our Staff From Dispatches

EPSOM, England — Shahrastani, running in the same colors as the ill-fated Shergar, won the 207th running of the Epsom Derby horse race here Wednesday after battling Dancing Brave, the 2-to-1 favorite, through the final furlong.

It was an emotion-charged victory for jockey Walter Swinburn, trainer Michael Stoute and the owner, the Aga Khan, who also supplied Shergar, the winner here in 1981; two years later in Ireland, the colt was the victim of a still unsolved kidnapping.

Shergar won his Derby by an effortless 10 lengths, but the 11-to-2 Shahrastani had to work to beat Dancing Brave, who challened wide to the outside in the late going under veteran jockey Greville Starkey.

Shahrastani, a son of Nijinsky, won the 1½-mile (2,413-meter) English classic by half a length, with the 12-to-1 Mashkour and Steve Cauthen two and a half lengths back in third, just ahead of stablemate Faraway Dancer, ridden by Willie Ryan.

"I had an unbelievable run," said Swinburn afterward. "The beauty of my horse is that he is so relaxed." But, he added, "It was a very emotional moment when I went past the post. . . . There was only one Shergar."

It was the richest race ever staged in Britain; Shahrastani, winner of two major classic trials this season, won £239,260 ($358,890).

The early leaders in the slowly paced race were Nomrood and Nisnas, ahead of Irish challenger Wise Counsellor and Faraway Dancer as Starkey dropped Dancing Brave, the effortless 2,000 Guineas winner, to the back of the field.

But Swinburn kept Shahrastani well up with the leaders throughout, and the colt overtook Nomrood with two furlongs to go before holding off Dancing Brave by a head. *(Reuters, UPI)*

Celtics Within 1 Victory of Title

The Associated Press

NBA FINALS

HOUSTON — Larry Bird scored the go-ahead basket and then the Boston defense took over, pulling the Celtics to within one victory of their 16th National Basketball Association title.

Boston took a 3-1 lead in the best-of-seven championship series with a 106-103 victory here Tuesday night despite scoring only two points after Bird's three-point bomb produced a 104-101 lead with 2:26 left to play.

Bill Walton scored the game's final two points with 1:39 remaining after an offensive rebound. Steals by Danny Ainge and Kevin McHale in the final minute preserved Boston's slim margin.

Walton had replaced an exhausted Robert Parish at center down the stretch. Parish had come back from an eight-point, 3-for-15 shooting performance in Boston's Game 3 defeat to score 22 points on 10-for-15 shooting Tuesday.

"Robert played a great game, but he got real tired at the end," Walton said. "I was very surprised to get the call, but I was ready and it sure is a tremendous feeling."

Houston's only points in the last four minutes came on a rebound basket by Rodney McCray, making the score 104-103.

Houston got 21 first-half points from Ralph Sampson but led by only one point at halftime as the Celtics hit 63.4 percent of their shots. Houston shot only 46.3 percent but had a 64-63 lead at intermission because of a 12-7 advantage in offensive rebounds and a 9-3 edge in turnovers that resulted in 13 additional shots and a 14-0 scoring margin following turnovers.

The fourth quarter was even closer than the game as a whole, which had 19 lead changes and 13 ties. The final period started with the Celtics holding a one-point lead, and it wasn't until Bird's three-pointer that either team led by more than two.

Houston, facing a 3-1 deficit that no team has ever overcome in the finals, still has not given up hope. Game 5 will be played in Houston Thursday night; subsequent games, if necessary, are scheduled for Boston Garden, where the Celtics have won 40 consecutive games.

"In 1981, I had to hear the other team cheer through the wall, 'We're No. 1,'" said Robert Reid, referring to the Rockets' 4-2 defeat to the Celtics in their only previous meeting in the finals five years ago, when the last game was played in Houston. "That's not going to happen Thursday night. Nobody has given up anything yet. We're still afloat."

Reuters-United Press International

Glad hands: Celtics Robert Parish, left, and Kevin McHale celebrating Boston's 106-103 Game 4 victory over Houston.

SCOREBOARD

World Cup Soccer

Group Standings

FIRST ROUND
(Through June 3)

GROUP A

	W	L	T	Pts	GF	GA
Argentina	1	0	0	2	3	1
Bulgaria	0	0	1	1	1	1
Italy	0	0	1	1	1	1
South Korea	0	1	0	0	1	3

June 5
Italy vs. Argentina
Bulgaria vs. South Korea
June 10
Italy vs. South Korea
Bulgaria vs. Argentina

GROUP B

	W	L	T	Pts	GF	GA
Mexico	1	0	0	2	2	1
Iraq	0	0	0	0	0	0
Paraguay	0	0	0	0	0	0
Belgium	0	1	0	0	1	2

June 4
Paraguay vs. Iraq
June 7
Mexico vs. Paraguay
June 8
Belgium vs. Iraq
June 11
Mexico vs. Iraq
Belgium vs. Paraguay

GROUP C

	W	L	T	Pts	GF	GA
Soviet Union	1	0	0	2	6	0
France	1	0	0	2	1	0
Canada	0	1	0	0	0	1
Hungary	0	1	0	0	0	6

June 5
France vs. Soviet Union
June 6
Canada vs. Hungary
June 9
France vs. Hungary
Canada vs. Soviet Union

GROUP D

	W	L	T	Pts	GF	GA
Brazil	1	0	0	2	1	0
Algeria	0	0	1	1	1	1
North. Ireland	0	0	1	1	1	1
Spain	0	1	0	0	0	1

June 6
Brazil vs. Algeria
June 7
Spain vs. Northern Ireland
June 12
Brazil vs. Northern Ireland
Spain vs. Algeria

GROUP E

	W	L	T	Pts	GF	GA
Denmark	0	0	0	0	0	0
Scotland	0	0	0	0	0	0
West Germany	0	0	0	0	0	0
Uruguay	0	0	0	0	0	0

June 4
West Germany vs. Uruguay
Scotland vs. Denmark
June 8
West Germany vs. Scotland
Uruguay vs. Denmark
June 12
West Germany vs. Denmark
Uruguay vs. Scotland

GROUP F

	W	L	T	Pts	GF	GA
Portugal	1	0	0	2	1	0
Morocco	0	0	1	1	0	0
Poland	0	0	1	1	0	0
England	0	1	0	0	0	1

June 6
Morocco vs. England
June 7
Poland vs. Portugal
June 11
Morocco vs. Portugal
Poland vs. England

TV: Thursday, June 5

Argentina: Ita. vs. Ara., 3:00 P.M.; Bulg. vs. S.Kor., 7:00 P.M. (Ch.13). Fra. vs. Soviet Union, 3:00 P.M. (Ch.9).

Belgium: Ita. vs. Ara., 8:00 P.M.; Fra. vs. Soviet Union, 10:00 P.M.; Bulg. vs. S.Kor., midnight (RTBF). Den. vs. Scot., 7:30 P.M.; Fra. vs. Soviet Union, 7:45 P.M.; Ita. vs. Ara., 9:30 P.M.; Fra. vs. Soviet Union, 11:25 P.M.; Bulg. vs. S.Kor., 11:45 P.M. (BRT).

Britain: Bulg. vs. S.Kor., 11:00 P.M. (BBC1).

Denmark: Fra. vs. Soviet Union, 7:55 P.M.; Ita. vs. Ara., 11:45 P.M. (Danmarks Radio).

France: Den. vs. Scot., 10:15 A.M.; Ita. vs. Ara., 10:00 P.M. (TF1). Fra. vs. Soviet Union, 7:57 P.M.; Bulg. vs. S.Kor., 11:55 P.M. (Antenne 2).

West Germany: Uru. vs. W.Ger., 1:45 A.M.; Den. vs. Scot., 5:45 A.M. (Jade). Para. vs. Iraq, 1:45 A.M.; Den. vs. Scot., 5:45 A.M. (Pearl).

Spain: Ita. vs. Ara., 8:00 P.M. (Ch.1). Fra. vs. Soviet Union, midnight (Ch.2).

Sweden: Ita. vs. Ara., 7:55 P.M. (TV1).

Switzerland: Ita. vs. Ara./Fra. vs. Soviet Union, 8:00 P.M. (TSI, DRS). Bulg. vs. S.Kor., midnight (DRS, TSI).

West Germany: Ita. vs. Ara./Fra. vs. Soviet Union, 7:50 P.M.; Bulg. vs. S.Kor., 11:45 P.M. (ARD).

Tennis

French Open

MEN

Quarterfinals

Henri Leconte (8), France, def. Andrei Chesnokov, Soviet Union, 6-3, 6-4, 6-3.

Mikael Pernfors, Sweden, def. Boris Becker (3), West Germany, 2-6, 6-4, 6-2, 6-0.

Baseball

Tuesday's Major League Line Scores

AMERICAN LEAGUE

Cleveland	000 100 000—1 10 0	Minnesota	400 010 000—5 13 0
Boston	002 000 30x—5 12 0	Toronto	004 100 10x—6 11 0
Schulze, Bailes (7), Oelkers (8) and Allanson; Brown, Stanley (8) and Gedman. W—Brown, 4-1. L—Schulze, 3-3. HRs—Cleveland, Thornton (8). Boston, Baylor (12).		Butcher, Atherton (3), Pastore (8) and Laudner; Cerutti, Lamp (1), Eichhorn (5), Henke (8) and Whitt. W—Eichhorn, 5-2. L—Atherton, 2-3. Sv—Henke (6). HRs—Minnesota, Goetti (13). Toronto, Moseby (8).		
Seattle	020 000 000—2 6 1	New York	000 001 010—2 5 1
Baltimore	200 110 00x—4 11 0	California	000 010 20x—4 4 0
Wilcox, Morgan (5) and Yeager; Boddicker, Aase (8) and Dempsey. W—Boddicker, 6-1. L—Wilcox, 9-7. Sv—Aase (14). HRs—Seattle, Presley (8). Baltimore, Sheets (7), Lynn (7).		Rasmussen and Hassey; Sutton, Forster (9) and Boone. W—Sutton, 3-5. L—Rasmussen, 5-2. Sv—Forster (2). HRs—New York, Pasqua-rio (12). California, Grich (3), Boone (3).		
Kansas City	001 010 101—4 8 0	Detroit	101 001 010—4 8 0
Milwaukee	010 000 000—1 7 1	Oakland	410 001 00x—6 10 1
Saberhagen and Quirk; Leary and Moore. W—Saberhagen, 3-5. L—Leary, 3-5. HR—Kansas City, Balboni (9).		LaPoint, King (3) and Parrish; Young, Ontiveros (7), Rijo (9) and Bathe. W—Young, 4-1. L—LaPoint, 2-4. Sv—Rijo (1). HRs—Detroit, Trammell (4), Parrish (12), Gibson (3), Oakland, Kingman (12), Bathe (5).		
Texas	004 000 000—4 5 1			
Chicago	010 000 20x—3 6 1			
Correa, Williams (8) and Porter. Mercado (5); Davis, Schmidt (3), Clark (7), Dawley (8) and Fisk. W—Correa, 4-3. L—Davis, 2-3. Sv—Williams (2).				

NATIONAL LEAGUE

Chicago	211 000 000—3 9 1	
Cincinnati	000 002 02x—4 7 1	
Trout, Frazier (6), Bailer (6) and Davis; Denny, Power (7), Franco (9) and Butera. Diaz (7). W—Power, 3-3. L—Bailer, 1-3. Sv—Franco (9). HR—Cincinnati, Esasky (6).		
San Diego	020 003 000—5 6 4	
New York	010 030 000—4 13 0	
Thurmond, Hawkins (5), Lefferts (7), Gossage (8) and Kennedy; Fernandez, Sisk (7) and Carter. W—Hawkins, 4-4. L—Fernandez, 5-2. Sv—Gossage (9). HRs—San Diego, Gervey (12), Martinez (4).		
Pittsburgh	103 001 000—5 8 0	
Atlanta	000 102 00x—3 9 1	
McWilliams, Guante (6) and Pena; Mahler, Assenmacher (7) and Virgil, Benedict (7). W—Mahler, 5-5. L—Guante, 2-1. Sv—Assenmacher (5). HRs—Pittsburgh, Morrison (9). Atlanta, Horner (10), Simmons (1).		
Los Angeles	412 112 000—11 15 0	
Philadelphia	400 000 000—4 8 1	
Valenzuela and Scioscia; Maddux, Rucker (2), Hume (5), Tekulve (6), Carman (8), Bedrosian (9) and Daulton. W—Valenzuela, 8-2. L—Maddux, 0-1. HRs—Los Angeles, Brock 2 (7), Stubbs (8).				

Major League Leaders

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Boggs Bos	49	187	37	73	.390
Yount Mil	39	143	25	53	.371
Puckett Min	51	219	46	80	.365
Bell Tor	58	195	28	65	.333
Lynn Bal	45	157	25	52	.331
Rice Bos	50	201	31	66	.328
Mattingly NY	51	211	31	67	.318
Re. Jackson Cal	38	126	23	40	.317
Easler NY	44	150	19	47	.313
O'Brien Tex	49	173	35	54	.312

Runs: R. Henderson, New York, 49; Puckett, Minnesota, 46; Phillips, Oakland, 39; Boggs, Boston, 37; 4 are tied with 35.

RBIs: Canseco, Oakland, 47; Joyner, California, 43; Mattingly, New York, 40; Rice, Boston, 39; Baylor, Boston, 38; Bell, Toronto, 38; Puckett, Minnesota, 38.

Hits: Puckett, Minnesota, 80; Boggs, Boston, 73; Mattingly, New York, 67; Rice, Boston, 66; Bell, Toronto, 65; Moseby, Toronto, 65.

Doubles: Boggs, Boston, 16; Law, Kansas City, 16; Mattingly, New York, 16; DwEvans, Boston, 15; Tobler, Cleveland, 15.

Triples: Owen, Seattle, 4; 11 are tied with 3.

Home Runs: Joyner, California, 17; Canseco, Oakland, 15; Puckett, Minnesota, 15; Gaetti, Minnesota, 13; 4 are tied with 12.

Stolen Bases: R. Henderson, New York, 37; Cangelosi, Chicago, 24; Moseby, Toronto, 15; Wiggins, Baltimore, 13; Butler, Cleveland, 12; Fernandez, Toronto, 12; Reynolds, Seattle, 12.

PITCHING (6 decisions)

Won-Lost/Winning Pct./ERA: Clemens, Boston, 9-0, 1.000, 2.64; Hoss, Oakland, 7-1, .875, 2.54; Boddicker, Baltimore, 6-1, .857, 3.26; Nieves, Milwaukee, 5-1, .833, 4.48; Terrell, Detroit, 6-2, .750, 4.25.

Strikeouts: Clemens, Boston, 98; Hurst, Boston, 89; Hawes, Milwaukee, 79; Rijo, Oakland, 76; Blyleven, Minnesota, 70.

Saves: Aase, Baltimore, 14; Righetti, New York, 12; Harris, Texas, 8; Stanley, Boston, 8; 4 are tied with 7.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
Ray Pit	42	171	21	61	.357
Gwynn SD	49	196	35	67	.344
K. Hernandez NY	46	180	32	62	.344
C. Brown SF	37	135	20	45	.333
Sax LA	48	186	28	61	.328
Brooks Mon	41	142	29	53	.327
Knight NY	41	149	20	48	.322
O. Smith SL	45	148	19	47	.318
Leonard SF	49	157	31	59	.316
Raines Mon	46	177	32	55	.311
Sandberg Chi	48	196	22	61	.311

Runs: Gwynn, San Diego, 35; Murphy, Atlanta, 34; K. Hernandez, New York, 32; McReynolds, San Diego, 32; R. Reynolds, Pittsburgh, 32; Raines, Montreal, 32; W. Clark, San Francisco, 32.

RBIs: Brooks, Montreal, 40; Marshall, Los Angeles, 38; Horner, Atlanta, 37; Schmidt, Philadelphia, 37; C. Davis, San Francisco, 35; Parker, Cincinnati, 35.

Hits: Gwynn, San Diego, 67; K. Hernandez, New York, 62; Ray, Pittsburgh, 61; Sandberg, Chicago, 61; Sax, Los Angeles, 61.

Doubles: Hayes, Philadelphia, 16; R. Reynolds, Pittsburgh, 15; Brown, Pittsburgh, 14; Dunston, Chicago, 14; Ray, Pittsburgh, 14.

Triples: Coleman, St. Louis, 5; Moreno, Atlanta, 5; McGee, St. Louis, 4; Milner, Cincinnati, 4; Raines, Montreal, 4.

Home Runs: Marshall, Los Angeles, 13; Brooks, Montreal, 12; Dawson, Montreal, 12; Garvey, San Diego, 12; McReynolds, San Diego, 11; Parker, Cincinnati, 11.

Stolen Bases: Coleman, St. Louis, 27; Duncan, Los Angeles, 23; Raines, Montreal, 19; Doran, Houston, 14; Dykstra, New York, 14; E. Davis, Cincinnati, 14.

PITCHING (6 decisions)

Won-Lost/Winning Pct./ERA: Darling, New York, 6-1, .857, 3.68; Kerfeld, Houston, 5-1, .833, 1.31; LaCoss, San Francisco, 5-1, .833, 2.66; Knepper, Houston, 9-2, .818, 2.38; Gooden, New York, 7-2, .778, 1.97.

Strikeouts: Scott, Houston, 98; Valenzuela, Los Angeles, 87; Welch, Los Angeles, 73; Z. Smith, Atlanta, 67; Gooden, New York, 66.

Saves: D. Smith, Houston, 12; Reardon, Montreal, 12; Franco, Cincinnati, 9; Gossage, San Diego, 9; La. Smith, Chicago, 8; Orosco, New York, 8; Worrell, St. Louis, 8.

Golf

PGA Leaders

(Through June 1)
EARNINGS

	Rds	Money
1. Greg Norman	48	$447,189
2. Andy Bean	50	$388,213
3. Hal Sutton	55	$318,598
4. Calvin Peete	48	$306,498
5. Don Pooley	43	$298,081
6. John Mahaffey	53	$298,040
7. Payne Stewart	54	$294,452
8. Bob Tway	62	$233,618
9. Bernhard Langer	54	$233,398
10. Fuzzy Zoeller	45	$231,953
11. Tom Watson	45	$214,426
12. Larry Mize	47	$202,255

SCORING

1. Bernhard Langer, 70.86. 2. Calvin Peete, 70.87. 3. Greg Norman, 70.88. 4. Andy Bean, 70.98. 5. Tom Watson, 70.99. 6. Paul Azinger, 70.21. 7. Payne Stewart, 70.28. 8. Don Pooley, 70.54. 9. Donnie Hammond, 70.56. 10. Hal Sutton, 70.60.

AVERAGE DRIVING DISTANCE

1. Davis Love III, 285.8. 2. John McCormish, 278.6. 3. Joey Sindelar, 277.5. 4. Greg Norman, 277.3. 5. Fred Couples, 277.2. 6. Bill Glasson, 275.5. 7. Bill Sander, 275.2. 8. Tom Purtzer, 275.1. 9. Craig Stadler, 274.2. 10. Jim Dent, 274.1.

DRIVING PERCENTAGE IN FAIRWAY

1. Calvin Peete, .842. 2. Mike Reid, .820. 3. Tom Kite, .786. 4. Johnny Miller, .780. 5. Larry Mize, .775. 6. Doug Tewell, .770. 7. Bruce Lietzke, .766. 8. Scott Simpson, .763. 9. Peter Jacobsen, .762. 10. Jack Renner, .760.

GREENS IN REGULATION

1. Calvin Peete, .742. 2. Johnny Miller, .738. 3. John Mahaffey, .731. 4. Andy Bean, .714. 5. Don Pohl, .712. 6. Tom Watson, .710. 7. Greg Norman, .708. 8. Wayne Levi, .707. 9. Mark O'Meara, .703. 10. 2 tied with .700.

PUTTS PER GREEN

1. Don Pooley, 1.742. 2. Kenny Knox, 1.744. 3. Greg Norman, 1.745. 4. Jim Colbert, 1.746. 5. Bob Tway, 1.750. 6. Payne Stewart, 1.753. 7. Calvin Peete, 1.754. 8. Ray Floyd, 1.756. 9. Hal Sutton, 1.758. 10. 2 tied with 1.759.

PERCENTAGE OF SUB-PAR HOLES

1. Greg Norman, .265. 2. Andy Bean, .263. 3. Tom Watson, .228. 4. Payne Stewart, .227. 5. Fuzzy Zoeller and Dennis Hammond, .226. 7. Hal Sutton, .223. 8. Don Pooley, .222. 9. Craig Stadler and Bob Tway, .220.

EAGLES

1. Greg Norman, 10. 2. Joey Sindelar, Robert Wrenn, Andy Bean, Don Pooman and Roger Maltbie, 8. 7. Howard Twitty, Jim Gallagher, Jr., Don Halldorson and Mike Hulbert, 7.

BIRDIES

1. Bob Tway, 241. 2. Curtis Strange and Joey Sindelar, 220. 4. Greg Norman and Hal Sutton, 219. 6. Payne Stewart, 218. 7. Lanny Wadkins, 217. 8. Craig Stadler, 213. 9. Tom Purtzer and Bobby Watkins, 212.

Basketball

NBA Championship

TUESDAY'S RESULT
Game 4 (At Houston)

Boston			30	32	23	20—105
Houston			30	34	21	18—102

BOSTON

	Min	FG	FT	Reb	A	PF	Pts
Bird	47	9-17	2-2	9	10	2	21
McHale	39	8-13	3-4	9	0	4	19
Parish	40	10-15	2-3	10	0	0	22
Ainge	29	3-7	2-2	4	6	4	8
D.Johnson	47	8-15	5-6	4	4	3	22
Walton	19	5-5	0-0	4	1	3	10
Sichting	18	2-6	0-0	0	2	1	4
Kite	1	0-0	0-0	0	0	0	0
Team				7			
Totals	240	45-75	14-17	47	23	17	106

HOUSTON

	Min	FG	FT	Reb	A	PF	Pts
McCray	47	8-12	1-2	4	5	1	17
Olajuwon	39	8-21	4-5	14	1	4	20
Sampson	43	9-20	7-7	7	9	2	25
Lloyd	12	2-5	2-2	3	0	2	6
Reid	42	9-19	1-2	3	7	4	19
Wilkins	35	3-12	2-2	6	0	3	8
Peterson	15	3-6	0-0	9	1	1	6
Leavell	7	1-4	0-0	0	5	1	2
Team				4			
Totals	240	43-99	17-20	50	28	18	103

Three-point goals: Bird, Johnson.
Fouled out: None.
Attendance: 16,016.

CHAMPIONSHIP SCHEDULE
(Best-of-Seven)

Boston 112, Houston 100
Boston 117, Houston 95
Houston 106, Boston 104
Boston 106, Houston 103
June 5: Boston at Houston
x-June 8: Houston at Boston
x-June 11 Houston at Boston
(x-if Necessary)

Transition

BASEBALL

American League

BALTIMORE—Signed Terry Crowley, Jr., shortstop, and assigned him to Bluefield of the Appalachian League.

KANSAS CITY—Signed Tony Clements, shortstop.

National League

CHICAGO—Placed Manny Trillo, infielder, on the 15-day disabled list. Recalled Steve Lake, catcher, from Iowa of the American Association.

CINCINNATI—Signed Reggie Jefferson, first baseman, Scott Richardson, shortstop, and Gerald Mascrey and Joe Lazor, pitchers. Announced the resignation of Doug Duennes, director of stadium operations.

NEW YORK—Placed infielder Howard Johnson on the 15-day disabled list; called up outfielder-first baseman Tim Corcoran from Tidewater of the International League.

Baylor Keeps Red Sox Rolling

Compiled by Our Staff From Dispatches

BOSTON — The Boston Red Sox are starting to win methodically and dramatically, which tends to lend credibility to their first-place position in the American League's Eastern Division.

At 35-15, Boston's record is the best in the major leagues. Winners of four straight games and 14 of their last 15, the Red Sox are wearing out opponents with late-inning surges, such as Tuesday night's three-run seventh that defeated Cleveland, 5-1.

"We've been ahead with slim leads in the last two games," said Don Baylor, who ignited that burst in the seventh with a mammoth two-run home run. "Both times the feeling was that we could get something going."

Designated hitter Baylor personally got it going by putting a Don Schulze pitch over the netting in left-center and out of Fenway Park to give Boston a 4-1 lead.

Baylor's homer scored Bill Buckner, who had led off with a single, and chased Schulze. After Rich Gedman flied out, Dwight Evans and Steve Lyons hit back-to-back singles off reliever Scott Bailes. Rookie Rey Quinones then doubled into the left-field corner to score Evans and up the lead to 5-1.

In three weeks Baylor, 36, has raised his batting average from .193 to .249. In his last 15 games, he has hit .365 with 7 homers and 20 runs batted-in. He was obtained in a spring-training trade with New York, after the Yankee management, figuring he could no longer could hit right-handed pitchers, had decided to platoon him strictly against lefties.

Said Baylor: "He [Yankee owner George Steinbrenner] made that statement about me not being able to hit right-handers without looking at the facts. I said good luck, I'll go somewhere I can play regularly." Eleven of his 12 home runs this season have come against right-handers.

Baylor figures there's more to come. "A team that plays .700 baseball, or even somewhere near that, is almost unheard of today," he said. "Defense and pitching has been the key so far, but the offense is going to be there shortly. It's too early to be sure of anything, but New York, Baltimore and the others now are aware of what we can do — that we're good."

Angels 4, Yankees 2: In Anaheim, California, Bob Boone's three-run homer in the seventh helped Don Sutton, 41, to his 298th career victory. Boone hit a 3-2 pitch off Dennis Rasmussen into the left-field bullpen for his first home run at Anaheim Stadium since July 14, 1984.

Royals 4, Brewers 1: In Milwaukee, Steve Balboni homered and had a run-scoring double to help Bret Saberhagen snap a personal three-game losing streak. Balboni's last six hits have been for extra bases — four home runs and two doubles.

A's 6, Tigers 4: In Oakland, California, Dave Kingman hit his 16th career grand-slam homer, tying Babe Ruth and Hank Aaron for fifth place on the all-time slam list, as the A's handed Detroit its fifth straight defeat. Curt Young allowed five hits in 6⅔ innings for his fourth victory in five decisions.

Orioles 4, Mariners 2: In Baltimore, designated hitter Larry Sheets drove in three runs with a bases-loaded single and his seventh home run of the season, and Mike Boddicker struck out eight batters over seven innings as the Orioles ended a three-game Seattle winning streak. Baltimore has won 17 of its last 22 games.

Rangers 4, White Sox 1: In Chicago, Ed Correa scattered four hits over seven innings against his former team and Gary Ward doubled in two runs in a four-run third as first-place Texas beat the White Sox, who have dropped 10 of their last 12 games.

Blue Jays 6, Twins 5: In Toronto, Lloyd Moseby hit a three-run homer and scored the game-winner on George Bell's two-out single in the seventh. The victory was the Blue Jays' fifth in six games, while Minnesota lost its fourth straight.

Cardinals 3, Astros 1: In the National League, in Houston, Greg Mathews, making his major-league debut, pitched eight shutout innings before needing last-out relief help as St. Louis beat the Astros. Mathews lost his shutout in the ninth when Billy Hatcher singled, stole second and scored on a two-out single by Kevin Bass. After another hit by Phil Garner, Todd Worrell relieved and got the save.

Braves 8, Pirates 5: In Atlanta, Ted Simmons pinch hit a grand-slam home run (the ninth of his career) to highlight a seven-run sixth that erased a 5-1 deficit and put the Braves past Pittsburgh.

Dodgers 11, Phillies 4: In Philadelphia, Greg Brock drove in four runs with a double and two homers as Los Angeles ended a three-game slide and broke the Phillies' winning streak at seven. Winner Fernando Valenzuela gave up all of Philadelphia's runs on five hits in the first.

Giants 6, Expos 4: In Montreal, Don Gladden singled twice, stole two bases and scored a run in helping Vida Blue top Montreal, but the Giants lost rookie first baseman Will Clark for 10 days with a hyper-extended elbow and may be without outfielders Gladden and Jeffrey Leonard for a while.

Clark, who entered the game batting .263 with six home runs and 17 runs batted in, collided with Expo first baseman Andres Galarraga while running out a third-inning grounder. Gladden and Leonard ran into each other chasing a fly ball in the ninth; Gladden jammed his right thumb and Leonard twisted his right ankle.

Padres 5, Mets 4: In New York, Carmelo Martinez's two-run homer was decisive as San Diego ended a four-game losing streak.

Reds 5, Cubs 3: In Cincinnati, Dave Parker singled in Eddie Milner with the tying run and then scored on Nick Esasky's home run, capping a three-run rally in the eighth that lifted the Reds past Chicago. Esasky fouled off a sacrifice bunt attempt before connecting for his sixth homer of the season, against reliever Jay Baller. Chicago's Shawon Dunston singled to extend his hitting streak to 14 games. *(UPI, AP)*

BASEBALL ROUNDUP

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	35	15	.700	—
New York	31	20	.608	4½
Baltimore	29	19	.604	5
Milwaukee	25	24	.510	9½
Toronto	25	27	.481	11
Cleveland	24	26	.480	11
Detroit	23	25	.479	11

West Division

Texas	26	24	.520	—
California	26	25	.510	½
Kansas City	25	25	.500	1
Oakland	25	27	.481	2
Chicago	19	30	.388	6½
Minnesota	19	32	.373	7½
Seattle	19	32	.373	7½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	32	14	.696	—
Montreal	26	21	.553	6½
Philadelphia	22	25	.468	10½
Chicago	21	27	.438	12
St. Louis	20	27	.426	12½
Pittsburgh	19	26	.422	12½

West Division

Houston	28	21	.571	—
San Francisco	27	23	.540	1½
Atlanta	26	24	.520	2½
San Diego	25	25	.500	3½
Los Angeles	24	28	.462	5½
Cincinnati	19	28	.404	8

Ian Berry/Reuters-United Press International

San Francisco rookie first baseman Will Clark, out of action with a hyper-extended elbow.

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SPORTS

Of Taking Dives and Cracking Heads

International Herald Tribune

GUADALAJARA, Mexico — The lessons are coming as sharp, and sometimes as unfair, as the tackles of this World Cup.

Diego Maradona, the most naturally gifted player of his generation, has begun besmirching his art by feigning injury 10 times a match.

Sure, the little man is a target; he has been kicked maliciously since childhood, and crying out for referee protection for almost

ROB HUGHES

as long. But was it necessary for him to play-act until, inevitably, he had one of the lightweights from South Korea cautioned?

Players taking a dive — and they include Brazilians — will pay by way of lost penalties and of inattention when a serious injury looks only like the next con. Playing prima donna instead of Maradona can backfire into a hospital ward.

Hungarians, too, played a dangerous game. They believed their own publicity, believed that the Magyar was rising again, 30 years after its greatest team fled the Soviet tanks. Alas, the Soviet Union again destroyed Hungary, this time by 6-0 in Irapuato. The thrashing was merciful only in that the winners missed even more chances.

Older men are the last to be fooled, and portents for what was going to happen to Hungary were heard the previous day in Mexico City. João Saldana, who built the flamboyant Brazilian side of 1970, met Ferenc Puskas, the astonishing left boot of the Magical Magyars.

Saldana had seen Hungary easily defeat Brazil in Budapest two months earlier and thought the new Hungary was on its way. "In Budapest, yes," Puskas reminded him. "But out of Budapest, it is another game."

Saldana has a lesson of his own. "You cannot build a team in a few weeks," he observed. "Russia is now Dynamo Kiev, and in 1970 I chose six from Santos and four from one other club."

Teamwork takes years, and that has been Mexico's privilege. Bora Milutinovic, a Yugoslav appointed to weld the disparate spirit of Mexico, has held camp for three years. Domestic clubs have not seen their stars for the last 12 months.

They accepted? "They had to," said Milutinovic. "The World Cup in your own country is not a question of sport but a matter of international political significance."

Reuters

Mexico's Hugo Sánchez does a flip after scoring.

So naturally, President Miguel de la Madrid was in the Azteca Stadium to watch the Mexican team win, 2-1, over the stubborn Belgian team. Naturally, as the script demanded, Hugo Sánchez, the repatriated superstar, scored.

Perhaps as long as Mexico is winning, the country can pull together. Perhaps its people, as poor and as rich as you will find between any poles, will forget the forecast economic disaster. The euphoria floods down with the rain from Mexico City. Hundreds upon hundreds of cars are now touring Guadalajara's streets; up to a dozen youths and their girls are seated on the hoods, the rooftops, the rear bumpers, waving red, white and green flags at police outriders.

Mexico's team is not one to win the World Cup. But the crowds will demand it go further than talent suggests. Over 300 miles (490 kilometers) away, we felt the precise moment that the nation had scored. Our match — Algeria-Northern Ireland — was a foul exhibition of violence against a confused backdrop. Brazilians brought their drum onto the terraces. A few Brazilian players in the crowd, attended by hordes of television crews, added to the distraction.

But once Mexico had scored, the stadium in Guadalajara erupted again and again to hysteria that owed nothing to the game they were watching. On the field, Algerians and Ulstermen were tearing up the rule books.

From the first whistle, Abdelhamid Benmabrouk, of Racing Club de Paris, slapped the face of Sammy McIlroy.

Three minutes later came the cynical "professional" foul (call it the Havelange foul, since FIFA's João Havelange prevented steps to eliminate it).

This foul has reached the African continent, but Fawzi Mansouri paid for his rugby tackles when Norman Whiteside scored from the free kick.

The Irish then became vicious in retaliation to provocation that included spitting. Three of them were shown the yellow card — McIlroy for his second deliberate kick at an opponent, Whiteside for flattening an Algerian and Billy Hamilton for a ludicrous foul that resulted in Algeria's tying goal.

In addition Rabah Madjer, one of the sharpest scorers in Africa, was hospitalized with concussion after a fearful crack of skulls with Mal Donaghy.

Algerian manager Rabah Saadane castigated both sides for "not playing soccer the way it should be played."

Billy Bingham, Northern Ireland's more experienced manager, thought Benmabrouk should not have remained on the field from the first minute. Bingham would not blame his players for their aggressiveness because the Soviet referee had merely instructed the Algerian to shake hands with the man he had slapped.

Come off it, Billy. We have praised your team's warrior instincts as underdogs in the past. Yet the same players who became wild men on Tuesday simply would not be intimidated when Northern Ireland beat Spain in Valencia at the last World Cup.

Here in Guadalajara, once Algeria had stopped reacting stupidly to the heavy tackling, the African skills and ability to cope in almost 100 degrees Fahrenheit (37.75 centigrade) brought out the street fighters in the Ulstermen.

Meantime, England ran into truth in Monterrey. The English, few of whom are cognizant that there is a big wide world of soccer in which others are not at all bad, went down to Portugal, 1-0.

English excuses will include the cry that they dominated 70 percent of the play, and that a single Portuguese break stole the point.

That is what this World Cup is all about. The goal was quick and instinctive and it came in the last quarter when England was weary.

English spirits will not succumb to a single reverse. But one of these fine days the founder nation of soccer will offer at least grudging admiration to those who have advanced the art.

Portugal Upsets England With Late Goal

Compiled by Our Staff From Dispatches

MONTERREY, Mexico — Portugal defeated England, 1-0, on Tuesday in the biggest upset yet in the first round of the World Cup soccer tournament.

The midfielder Carlos Manuel silenced a throng of English fans in

WORLD CUP ROUNDUP

Monterrey's Tecnologico stadium when he scored in the 75th minute of play against a tired English defense.

In other games Tuesday, host Mexico opened World Cup play with a 2-1 victory over Belgium in Mexico City, and Northern Ireland and Algeria tied, 1-1, in Guadalajara.

[See column, left, by Rob Hughes.]

England's defeat was its first in 12 international matches over the past year, and cast doubt on its chances of qualifying for the second stage.

The first half was a struggle in midfield, with few goal-scoring chances at either end. Portugal used as many as six men across the middle, and England four.

England stepped up the pace in the second half, but its forwards, Gary Lineker and Mark Hateley, failed to capitalize on several chances.

Portugal was pinned back for long periods, but 30 minutes into the half, Diamantino broke swiftly down the right and his low centering kick was pushed into the net by Manuel, who was free at the far goalpost.

England pressed to tie the score, but it was Portugal that nearly scored again — twice. The speedy Paulo Futre, who had come in as a substitute in the 73d minute, outpaced the English centerback Terry Fenwick and was knocked down in the penalty area, but the West German referee Volker Roth awarded a corner kick instead of a penalty.

Moments later, Futre again broke clear of Fenwick but Peter Shilton, the goalkeeper, made a brilliant one-on-one save.

Portugal's coach, José Torres, said afterward, "Some people may say that the tactics we used today were conservative, but I don't mind. We played a system designed to get us a win, and we won. I am very happy, very satisfied."

Torres called the victory "sweet revenge" for Portugal's loss to England in the semifinal of the World Cup in 1966 in London. Torres played in that match, which came during Portugal's only other appearance in the tournament.

It was Manuel who had assured Portugal of coming to Mexico when he scored the only goal in a defeat of West Germany in the qualifying round.

The Portuguese team, however, had not played a full international for more than three months, and had its preparations for the World Cup disrupted by intramural squabbles over money.

England's manager, Bobby Robson, said after the game, "We played badly to concede the goal. Today, we let them beat us. The players understand they should have won.

"We lost because we failed to take the three chances we created in the first nine minutes of the second half and the seven we created overall. The Portuguese had one chance and took it," Robson said.

"We'd love to be in Portugal's shoes but we've still got an extremely good chance of qualifying" for the second round, he said.

The notorious English fans were in good humor and caused few problems for the local police.

(AP, UPI)

The Associated Press

English fans behaved during the match with Portugal, but their team was upset, 1-0.

Police Disperse Mexican Fans

Compiled by Our Staff From Dispatches

MEXICO CITY — Policemen dispersed unruly soccer fans celebrating Mexico's victory over Belgium and arrested scores of persons early Wednesday, the police said.

A spokesman for the Mexican Red Cross said at least 10 persons were injured. A police dispatcher said about 100 persons were arrested at the Independence Monument on Reforma Avenue.

Witnesses said about 2,000 people were demonstrating shortly after midnight when police armed with clubs jumped out of patrol cars. They warned people to leave, and then "just started beating everybody up," a photographer said.

A liquor shop near the monument was raided around midnight by a group of youths.

The demonstrations by joyful fans had started in midafternoon Tuesday. Thousands streamed into the streets downtown in spite of a heavy downpour.

As the day wore on the demonstrations became unruly as beer flowed. *(AP, Reuters)*

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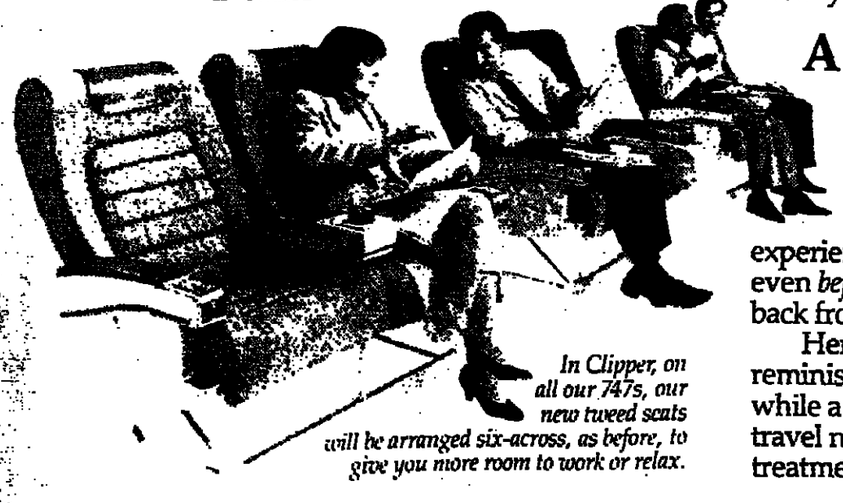

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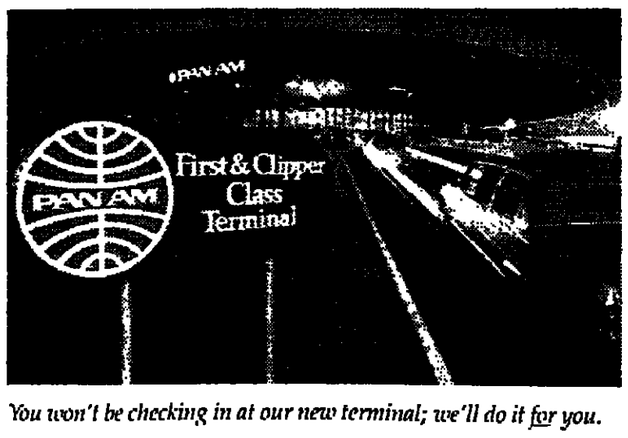

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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Sperry	24090	75	74⅝	74¾	— ½
WnAirL	15881	11¾	10⅞	11¼	+ ⅜
IBM	14515	152⅜	149½	150	—2⅜
CmwE	14408	30⅞	29⅝	30	— ⅞
Sears	12895	47¾	46⅝	47⅛	+ ⅜
OcciPet	12422	27¾	27⅛	27¼	— ⅜
AetnLf	11960	61½	60⅝	61¼	+1⅜
RCA	10788	66⅞	66⅛	66⅜	+ ½
Chrys s	10657	36⅞	35½	36¼	— ⅜
AT&T	10643	24⅞	24⅛	24½	— ⅛
PhilPet	9981	10⅛	10	10⅛	
EKodk	9875	61⅞	60½	61⅛	— ⅛
MasseyF	9128	3½	3⅜	3¼	
PepsiC s	8817	34⅝	33⅞	33⅞	
LLCCp	8687	5⅝	3¼	3⅝	+ ⅛

Dow Jones Bond Averages

	Prev. Close	Today Noon
Bonds	90.09	89.82
Utilities	89.88	89.35
Industrials	90.30	90.29

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1876.35	1882.00	1846.34	1863.79	— 7.14
Trans	799.38	805.25	790.00	798.80	+ 0.12
Util	188.07	188.74	183.58	186.57	— 1.45
Comp	720.85	723.91	709.28	716.73	— 2.40

NYSE Diaries

	Close	Prev.
Advanced	561	748
Declined	973	793
Unchanged	436	435
Total Issues	1970	1976
New Highs	79	67
New Lows	12	18

NYSE Index

	High	Previous Low	Close	Today 3 P.M.
Composite	141.04	140.14	141.04	139.98
Industrials	163.49	162.41	163.49	162.19
Transp.	123.35	122.91	123.16	122.78
Utilities	69.94	69.61	69.94	69.32
Finance	153.42	152.32	153.42	152.81

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
June 3	254,578	410,080	861
June 2	326,294	500,034	650
May 30	312,778	491,759	2,621
May 29	331,565	508,492	1,177
May 28	400,169	523,405	2,797

*Included in the sales figures

Wednesday's NYSE Closing

Vol. at 3 P.M.	99,850,000
Prev. 3 P.M. vol.	90,440,000
Prev consolidated close	134,440,400

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries

	Close	Prev.
Advanced	227	277
Declined	306	316
Unchanged	286	224
Total Issues	819	817
New Highs	38	28
New Lows	9	6

Standard & Poor's Index

	High	Previous Low	Close	Today 3 P.M.
Industrials	275.08	272.77	275.00	272.71
Transp.	204.51	203.16	203.78	202.07
Utilities	105.02	104.41	105.02	103.82
Finance	29.52	29.07	29.31	29.20
Composite	245.51	243.67	245.51	243.49

NASDAQ Index

	Prev Close	Today Noon	Week Ago	Year Ago
Composite	399.48	399.38	394.89	290.99
Industrials	407.00	406.74	401.73	302.52
Finance	529.61	—	522.30	362.42
Insurance	457.36	—	452.64	340.70
Utilities	334.96	—	333.05	280.93
Banks	432.00	—	425.89	275.93
Transp.	361.06	—	360.03	267.32

AMEX Sales

3 P.M. volume	10,210,000
Prev. 3 P.M. volume	9,030,000
Prev. cons. volume	11,060,000

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Wickes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TIE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HrnHor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amdahl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TexAir	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
InstSy	[illegible]	[illegible]	[illegible]	[illegible]	
AmRoyl	[illegible]	[illegible]	[illegible]	[illegible]	
PNHLD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mavftw	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IntBkrt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WangB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DomeP	[illegible]	[illegible]	[illegible]	[illegible]	
TotlPte	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AM Intl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AExFF wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMEX Stock Index

High	Previous Low	Close	Today 3 P.M.
280.82	279.51	280.40	279.38

NYSE Lower, Volume Moderate

United Press International

NEW YORK — Prices on the New York Stock Exchange were lower late Wednesday in moderate trading but had trimmed some of the day's sharpest losses.

The Dow Jones industrial average was down 11.71 to 1,858.72 at 3 P.M. Earlier, it was down more than 20 points.

Declines led advances by a 2-1 ratio an hour before the close. Volume was about 99.85 million shares, down from 90.44 million in the same period Tuesday.

Although most U.S. stock market tables in this edition are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.

Prices were lower in active trading of American Stock Exchange issues.

Analysts said the market's progress was tied to the performance of bonds. Stocks opened stronger after bonds strengthened, but the early gains were lost when the credit market faded.

Bonds weakened as investors became convinced that declines in interest rates were not imminent. Bond traders said Paul A. Volcker, chairman of the Federal Reserve Board, reportedly signaled in a Boston meeting with central bankers that potential inflation remains a concern in formulating monetary policy.

"Stock and bond investors are concluding that signs of economic strength mean no discount-rate cut is imminent," said Monte Gordon of Dreyfus Corp.

Peter Furniss of Drexel Burnham Lambert agreed. He said many stock fund managers were realizing that the momentum of interest-rate declines was waning while the economy was picking up steam.

Analysts said that while a strong economy can be good for corporate earnings, it also can heighten anxiety about renewed inflation.

IBM slid in active trading. The downturn in IBM spread to the rest of the high-technology group. Digital Equipment, Honeywell, Cray Research, Prime Computer, Texas Instruments, National Semiconductor and Motorola were lower.

Stocks of insurance companies were rebounding after a two-day sell-off. Aetna Life and American International Group were advancing.

Exxon, Chevron and Mobil were ahead. Phillips Petroleum and Occidental Petroleum were in retreat.

Among other blue-chip stocks, General Motors, Sears, Eastman Kodak, American Express, General Electric and Dow Chemical were all lower. U.S. Steel was fractionally ahead.

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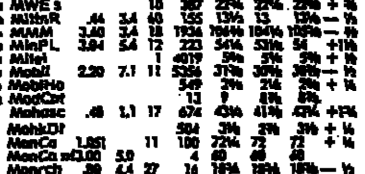
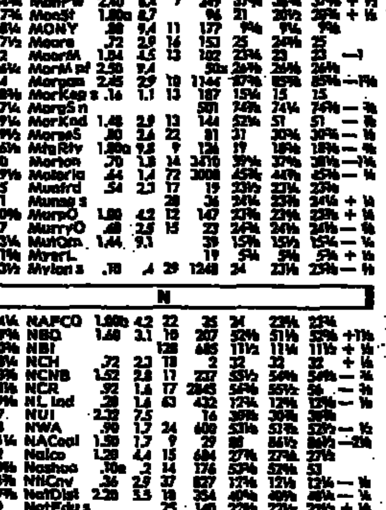

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
41	30¼	PHH	1.00	3.0	14	640	33⅝	33¼	33⅜	—

(Continued on next left-hand page)

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International Herald Tribune

BUSINESS/FINANCE

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WALL STREET WATCH

Hutton, Paine Webber Cool On Short-Term Prospects

By VARTANIG G. VARTAN

New York Times Service

NEW YORK — Investment strategists at two major brokerage firms — E.F. Hutton & Co. and Paine Webber Inc. — have lowered their sights on near-term prospects for the stock market. The more pronounced change is at Hutton, which basically had recommended a fully invested position in stocks and bonds for the last six months.

"We are now expressing a more cautious perspective by establishing a 10-percent cash reserve," said Thomas B. Stiles, chairman of the investment policy committee. Accordingly, the recommended asset allocation has been revised. Equities have been cut to 60 percent from 65 percent, while the bond component is 30 percent instead of 35 percent.

> The market's "overwhelming potential is not there any more."

Describing this move as "a tactical adjustment," Mr. Stiles stressed that his long-term view remains optimistic for financial assets, "based on a low-inflation environment, irregularly declining interest rates and a long cycle of modest economic growth."

At present, however, he pointed out that "much of the good news is on the table." As a result, he added, "a 10-percent correction in stock prices would not surprise us."

Tuesday, the Dow Jones industrial average rose 8.48, to 1,870.43. *It set a record last Thursday at* 1,882.35, completing a run-up of 124 points in seven sessions. This surprising rally took place in the face of a bond market that has been under pressure since mid-April, mainly because of fading investor hopes for lower interest rates.

Edward M. Kerschner, chairman of Paine Webber's investment-policy committee, gave this assessment: "I don't see much risk in the stock market, but the overwhelming potential is not there any more."

IN HIS VIEW, the recent combination of rising stock prices and falling bond prices has brought the potential for these market sectors more nearly into balance. Accordingly, Paine Webber's suggested weighting for a typical balanced portfolio stands at 50 percent stocks, 44 percent bonds (namely, 10-year Treasury issues) and 6 percent cash. By comparison, the mid-April allocation comprised 65 percent equities, 30 percent bonds and 5 percent cash.

Consumer cyclical stocks in general and mass-merchandising retail issues in particular are among groups favored by Mr. Stiles at Hutton. Here he cited K mart Corp., J.C. Penney Co., Wal-Mart Stores and Sears, Roebuck & Co.

Among other recommendations are such chemical issues as American Cyanamid Co., Du Pont Co., Hercules Inc., Koppers Co. and PPG Industries Inc.

Banks and financial-service stocks, along with some consumer groups, are among areas recommended by Paine Webber. "And technology is beginning to look attractive," Mr. Kerschner said.

Both Hutton and Paine Webber regard energy-related stocks as an area to avoid.

Michael H. Sherman, investment strategist at Shearson Lehman Brothers, also shies away from energy issues.

Unlike the others, however, Mr. Sherman has not changed his sanguine near-term appraisal of market prospects. "I have been bullish since July 1984, when our model portfolio went to 60 percent stocks and 40 percent long-term Treasury bonds," he said. "In January of this year the allocation was changed to 70 percent stocks and 30 percent bonds — and that's where we still stand today."

Sectors heavily weighted in the Shearson portfolio include

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Currency Rates

Cross Rates *June 4*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.5515	3.804	112.505 *	35.33 *	0.1641 *	—	5.508 *	136.00 *	149.44 y
Brussels(a)	46.31	69.86	20.42	6.6135	2.9798 *	18.15	—	24.678	27.13 *
Frankfurt	2.2686	3.3035	—	31.40 *	1.4595 x	88.90 *	4.897 *	120.825 *	1.3276 *
London (b)	1.4835	—	3.3785	10.749	2,300.50	3.7975	68.735	2.7943	253.90
Milan	1,554.50	2,317.40	685.35	215.34	—	609.25	33.57	828.70	9.10
New York(c)	—	0.672 ≠	2.267	7.2175	1,552.00	2.55	46.265	1.873	171.05
Paris	7.2235	10.768	3.1842	—	4.6475 x	2.8307	15.594 *	3.8487	4.2275 *
Tokyo	171.10	255.54	75.31	23.67	11.02 *	67.02	368.75 *	91.00	—
Zurich	1.8843	2.8004	82.78 *	26.00 *	0.1207 *	73.515 *	4.0353 *	—	1.0986 *
1 ECU	0.9469	0.6345	2.1517	6.8515	1,474.49	2.4206	43.9389	1.7793	162.244
1 SDR	1.15376	0.77486	2.61742	N.Q.	N.Q.	2.9438	53.4306	2.1648	197.37

Closings in London and Zurich, fixings in other European centers. New York rates at 3 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (≠) To buy one pound: $U.S.1.488

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.87	Fin. markka	5.245	Mex. peso	565.00	Soviet ruble	0.717
Austral. $	1.4286	Greek drac.	141.50	Norw. krone	7.4975	Span. peseta	145.70
Austr. schil.	16.03	Hong Kong $	7.813	Phil. peso	20.50	Swed. krona	7.286
Belg. fin. fr.	46.86	Indian rupee	12.71	Port. escudo	145.00	Taiwan $	38.14
Brazil cruz.	13.77	Indo. rupiah	1,130.00	Saudi riyal	3.751	Thai baht	26.425
Canadian $	1.3908	Irish £	0.7482	Sing. $	2.227	Turkish lira	684.30
Chinese yuan	3.7079	Israeli shek.	1.48	S. Afr. rand	2.422	UAE dirham	3.673
Danish krone	8.3975	Kuwaiti dinar	0.2962	S. Kor. won	898.00	Venez. boliv.	20.14
Egypt. pound	1.37	Malay. ring.	2.6295				

£ Sterling: 1.172 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *June 4*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6½
6 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1 year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *June 4*

	Close	Prev
United States		
Discount Rate	[illegible]	[illegible]
Federal Funds	[illegible]	7 1/16
Prime Rate	[illegible]	[illegible]
Broker Loan Rate	[illegible]	[illegible]
Comm Paper 30-179 days	6.80	6.80
3-month Treasury Bills	6.40	6.36
6-month Treasury Bills	6.54	6.44
CD's 30-59 days	[illegible]	6.38
CD's 60-89 days	[illegible]	6.55
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.55	4.60
One Month Interbank	[illegible]	4.65
3-month Interbank	[illegible]	4.70
6-month Interbank	[illegible]	[illegible]
France		
Intervention Rate	[illegible]	[illegible]
Call Money	[illegible]	[illegible]
One-month Interbank	[illegible]	[illegible]
3-month Interbank	[illegible]	[illegible]
6-month Interbank	[illegible]	[illegible]
Britain		
Bank Base Rate	10	10
Call Money	[illegible]	[illegible]
91-day Treasury Bill	[illegible]	[illegible]
3-month Interbank	[illegible]	[illegible]
Japan		
Discount Rate	[illegible]	[illegible]
Call Money	[illegible]	[illegible]
60-day Interbank	[illegible]	[illegible]

Sources: Reuters, Commerzbank, [illegible]

Asian Dollar Deposits *June 4*

1 month	[illegible]
2 months	[illegible]
3 months	[illegible]
6 months	[illegible]
1 year	[illegible]

Source: Reuters.

U.S. Money Market Funds *June 4*

Merrill Lynch Ready Assets
30 day average yield: n.a.
Telerate Interest Rate Index: 6.915

Source: Merrill Lynch, Telerate.

Gold

June 4

	A.M.	P.M.	Ch'ge
Hong Kong	341.90	341.65	— 0.15
Luxembourg	341.80	—	— 0.10
Paris (12.5 kilo)	342.47	343.38	+ 2.08
Zurich	341.70	340.85	— 1.50
London	341.40	340.75	— 1.45
New York	—	341.70	— 0.60

Luxembourg, Paris and London official fixings. Hong Kong and Zurich opening and closing prices. New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Closed

Financial markets were closed Wednesday in Malaysia for a holiday.

U.S. Bids To Cool Dispute

No Danger Seen To Canada Talks

The Associated Press

WASHINGTON — The U.S. Treasury secretary, James A. Baker 3d, said Wednesday that President Ronald Reagan will not back away from a tariff measure that has increased trade friction with Canada despite pressure from that nation.

Mr. Baker told a news conference, however, that the new tension would not damage negotiations aimed at establishing a free-trade zone between the two countries, including broad reductions of tariffs and quotas.

He said that Mr. Reagan will hold fast in his decision last month to impose tariffs of up to 35 percent on cedar shingles imported from Canada.

"When he takes a position or takes action, he doesn't bend with the wind," he said.

Canada retaliated earlier this week by announcing duties on U.S. computer parts, books and magazines, and Mr. Baker was asked if the escalation would sabotage free-trade-zone negotiations.

"No," he said, adding that such difficulties should be seen "simply as a consequence of the fact that we have a $22-billion trade deficit with Canada — so we can expect that."

While U.S. officials deny that the tariff battle with Canada is turning into a full-fledged trade war, they say the confrontation is not exactly helping trade relations either.

"It is fairly obvious that the Canadian action on computer parts and books will have a negative effect on U.S.-Canada trade," the State Department spokesman, Bernard Kalb, said Tuesday.

The back-and-forth tossing of penalty duties is occurring even though Mr. Reagan and Canadian Prime Minister Brian Mulroney have staunchly espoused a "free-trade" policy with the rest of the world.

Canadian officials said the U.S. action had caught them off guard and that they ran directly counter to the administration's stated free-trade principles.

Further escalating the battle was a ruling this week by the U.S. International Trade Commission imposing penalty duties of up to 41 percent on Canadian steel products used in oil and gas wells.

Canada is the United State's biggest trading partner, with two-way trade totaling about $150 billion a year. In 1985, however, the United States imported $22 billion more from Canada than it exported.

U.S. Judge Orders Profit Returned

The Associated Press

NEW YORK — A U.S. District Court judge has ordered an Italian financier to forfeit $3.5 million in profits he and his associates made in stock trading by using secret information provided by Edgar Bronfman, chairman of Joseph E. Seagram & Sons.

Tuesday's order against Giuseppe Tome by Judge Milton Pollack is the largest such penalty in a case of insider trading, the Securities and Exchange Commission said.

Mr. Tome, who fled the United States in 1981 and who lives in Switzerland, still faces a 45-count criminal indictment in the United States.

Mr. Tome, three Panamanian companies he controlled, his investment clients and others whom he tipped made their profit on a March 1981 bid by Seagram to take over St. Joe Minerals Corp., Judge Pollack said.

Judge Pollack also cited another investor, Paulo Mario Leati, of Italy, and the investment company he runs, Lombardfin SpA, for trading in St. Joe stock based on a tip from Mr. Tome and said Mr. Leati must give up $1.3 million in profits.

The judge said Mr. Bronfman and other Seagram officials did not know about the insider trading.

The judge has frozen $2 million in a New York bank account held by Banca della Svizzera Italiana, a Lugano, Switzerland, bank through which some of the the trading was conducted. He said those funds would remain frozen until the bank turns over the contents of some Lugano accounts allegedly used to conceal profits on the trades.

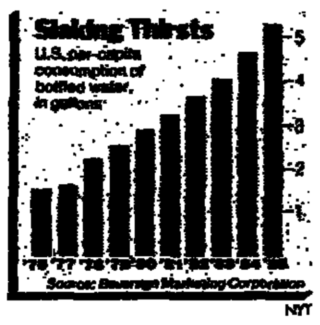
A selection of bottled waters sold in California. The New York Times

A New Sparkle to U.S. Water Sales

By Lawrence M. Fisher

New York Times Service

SAN FRANCISCO — When George T. Rowan delivers bottled water in the financial district here, he likes to point out that the product he sells, at a little more than $5 for a five-gallon jug, now costs more than gasoline.



While this surprising statistic reflects the precipitous drop in oil prices, it also indicates the surge in demand for bottled water, which has become the fastest-growing segment of the beverage industry in the United States.

California consumes about 40 percent of the bottled water sold in the United States, but that share has been shrinking. As stories of water contamination have cropped up across the country, a wave of demand for bottled water has followed.

"You don't need too many Love Canal incidents to get people thinking about bottled water," said E. Lawrence Hickey, an analyst with the First Analysis Corp. in Chicago, referring to the abandoned chemical dump in Niagara Falls, New York, that was the subject of billions of dollars of lawsuits.

Mr. Hickey described the bottled water market as "a play on the pollution industry."

In the past decade, per capita consumption has more than tripled, to 5.2 gallons (19.67 liters) a year, still a paltry amount compared with soft drink consumption of 43.3 gallons and beer consumption of 24.8 gallons.

But sales have risen to about $1.5 billion in 1985 from $275 million a decade earlier, and analysts predict continuing increases of 15 percent to 20 percent a year.

The bottled-water market in the United States "has more room for dynamic growth right now than any other part of the beverage business," said Jerry Stevens, publisher of Beverage World. "With inflation, this could be a $5-billion business in the next five years."

The bottled-water market actually consists of two markets: the tap water replacement market, which accounts for about 90 percent of sales, and the beverage market.

Both benefit from health concerns. Fear of contaminated tap water stimulates sales of still water, while the trend toward lower alcohol consumption spurs demand for mineral waters.

Bottled still water is primarily home-delivered and, like tap water, can come from ground water or surface water. Most companies, however, draw their product from springs or wells that they own or control.

The water then goes through a variety of purification processes to remove organic and inorganic

See WATER, Page 20

West Germany Posts a Record Trade Surplus

Reuters

WIESBADEN, West Germany — West Germany's current-account surplus widened to a provisional 8.5 billion Deutsche marks (about $3.8 billion) in April from a downward revised 4.7 billion DM in March, the Federal Statistics Office said Wednesday.

At the same time, it said, the provisional merchandise-trade surplus widened to 10 billion DM from 8.4 billion DM. If confirmed, the two trade figures would be record highs, the agency said.

The April trade surplus was nearly double the 5.5 billion DM recorded in April 1985, while the current-account surplus was more than twice as large as the 3.8 billion DM posted a year earlier.

Ute Geipel, chief economist at Citibank AG in Frankfurt, said the figures were better than expected, but noted that they were buoyed by special, nonrecurring factors. For example, she said, oil prices bottomed out in April and were already rising again in May.

In addition, April had two more working days than did March and February, she said.

The latest figures are not adjusted for seasonal factors, but the statistics office said the current account would still show a large surplus if these adjustments were made. The current account, the widest measure of a nation's trading performance, measures trade in goods and services as well as interest, dividends and certain transfers.

The April figures increased the current-account surplus for the first four months of the year to 24.6 billion DM from 8.8 billion DM in the like period of 1985, the office said. The merchandise-trade surplus in the period surged to 32.3 billion DM from 19.1 billion a year earlier, it said.

The office said the value of West German imports in the first four months of the year fell 7.3 percent from a year earlier, to 148 billion DM, while the value of exports rose 0.8 percent, to 180.3 billion DM.

Meanwhile, the Economics Ministry reported Wednesday that new manufacturing orders rose a provisional, inflation-adjusted 3.8 percent in April after falling 1.9 percent in March.

Current Account In France Shows Surplus in Period

Reuters

PARIS — France posted a current-account surplus of 6.97 billion francs ($941 million) in the first quarter of this year, compared with a deficit of 6.28 billion francs in the first quarter of 1985, the Finance Ministry said Wednesday.

The seasonally adjusted 1986 figure was narrower than the current-account surplus of 8.12 billion francs posted in the last quarter of 1985. Current account, the broadest measure of trade performance, measures merchandise and nonmerchandise trade.

Merchandise trade figures continued to be disappointing, with an adjusted surplus of around 1 billion francs in the first quarter of this year, the ministry said. But it added that France continued to achieve large surpluses in the service sector.

In a separate report, the National Statistics Institute said that French business executives expect a modest expansion in industrial activity over the next few months, particularly in the semifinished and consumer-goods sectors.

Spain Lays Foundation for New Industry: Custom Microchips

By Steven J. Dryden

International Herald Tribune

MADRID — When American Telephone & Telegraph Co. decided to build a plant to make custom microchips in Europe, one of the reasons for choosing the village of Tres Cantos just north of Madrid was the exceptional geological stability of the land.

The precision work necessary to make the chips, which are no larger than a fingernail, can only be performed in an area which is free of even minor tremors.

But, in the end, what probably brought AT&T to Spain was the aggressive campaign waged by the Socialist government to attract high-technology investment. Almost two-thirds of the $200 million that AT&T plans to put into the microchip plant will be covered by government grants or low-cost loans.

"Spain was really interested, and presented advantages that other countries in Europe couldn't provide," said Ignacio de Despujol, the institutional director of AT&T Microelectronica de España, the subsidiary set up by AT&T.

Armed with attractive subsidies and the lure of a low-wage environment, the Spanish government has wooed and won several other top multinationals in the advanced-technology field, including Hewlett Packard Co., Fujitsu, Corning Glass Works Co. and Philips NV.

The presence of the multinationals, many of whom are in joint ventures with the semi-private national telephone company, Compañia Telefónica Nacional de España, is seen as a way of propelling Spain into the fiercely competitive global market for telecommunications equipment, computer electronics and other advanced products.

They also are expected to help Spain develop a domestic high-technology sector that it can call its own.

The government's pursuit of U.S. companies has speeded up Spain's integration in the Western alliance, as signified by the decision to join the Coordinating Committee for Multilateral Export Controls, the Western group that monitors trade in advanced products with the Soviet bloc.

This was a politically sensitive move, but one seen as necessary if Spanish industry was to pull ahead.

"Technologically, Spain has been behind," said Mr. de Despujol. "Now we will have the most advanced technology, and Spanish engineers will be making their own custom chips."

Spain Goes 'European'

A Laggard Economy Learns to Compete

Spain will undergo wrenching changes as a new member of the European Community, including an end to tariff barriers and a paternalistic labor system. This is the third in a series of occasional articles examining that adjustment.

AT&T plans to train 130 Spanish engineers and technicians in the United States to work at the Tres Cantos facility, which is scheduled to start production in 1988. Some 26 million custom integrated circuits will be made annually when the plant reaches full capacity.

At the Corning plant to be built in the town of Oviedo in the northern Asturias region, Spanish workers will learn how to make optical fibers, the hair-thin strands of glass used to transmit data, video and voice signals.

Part of the output from Oviedo will be used in Telefónica's plan to install an optical-fiber network connecting major Spanish cities. Telefónica plans to increase the few hundred kilometers of fibers now in use to 9,500 kilometers (5,902 miles) by the end of the decade.

The officials in charge of the government plan for fostering electronics and data processing, known as PEIN, also have kept Spain's foreign-trade balance in mind when pursuing investment. They have deliberately sought companies that can gear their production toward exports as well as supplying the Spanish home market.

AT&T's plant, in fact, will export 75 percent of its production.

"The domestic market isn't big enough to support production with the dimensions required to be efficient," said Miquel Oyarzabal, deputy director of the Ministry of Industry's technology department. "In the discussions we've had with international corporations, we've asked them to manufacture in Spain in line with their long-term strategy for Europe or other markets."

Besides encouraging foreign investment, the PEIN plan has financed the construction of microelectronic research and development centers near university campuses in Madrid and Barcelona.

Student interest in science and technology, which for many years was only lukewarm, now is "booming," according to Manuel Marquez Balin, the chairman of Standard Electrica SA, the Spanish subsidiary of ITT Corp.

Mr. Marquez recalls that when he was preparing to become a telecommunications engineer in the 1950s, "nobody in Spain understood what I was studying. People asked me, 'Does this mean you are going to repair telephone sets?'"

Now, students are jockeying to be accepted at high schools that offer telecommunications training, Mr. Marquez said. "Everybody understands that it is a future-oriented vocation."

The government hopes that the combination of the increased interest in science and the presence of multinational companies will have a spin-off effect that will foster the development of domestic high-technology companies. So far, the performance of Spain's own businesses has been disappointing.

"We have a problem that is common to Europe, that is, a lack of venture capital and entrepreneurship," Mr. Oyarzabal said.

The PEIN plan, which got under way in 1984, is being revised this year to shift the emphasis to Spanish companies. The government intends to set up demonstration projects in such areas as industrial automation, and provide infrastructure services.

The ultimate goal, Mr. Oyarzabal said, is "to pass the initiative from the government to the private companies."

In order to give private telecommunication companies a chance to

See SPAIN, Page 20

Swiss, 38, married, speaking French, German, English, Spanish, Italian, Portuguese, presently working as vice-president in charge of finance and administration and of sales and marketing of a multinational company is looking for a position of

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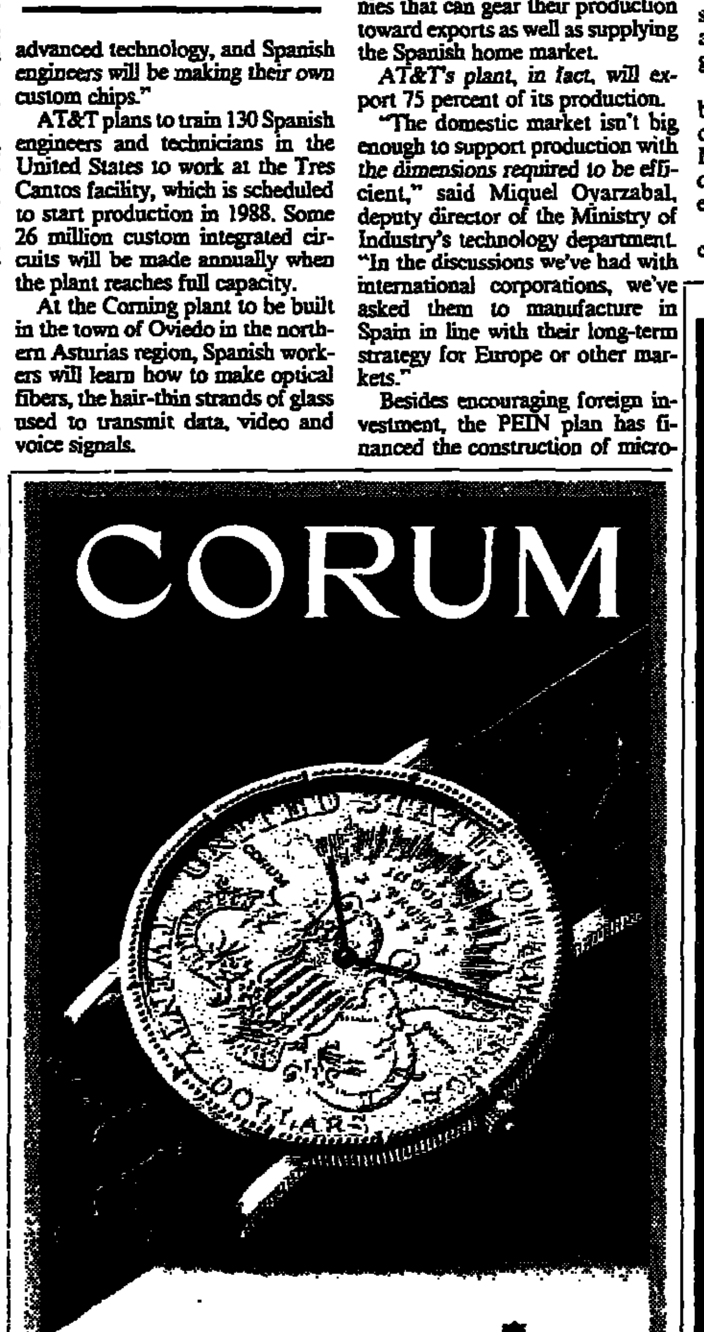

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ARAMCO

All the above items are available for viewing between May 28 thru June 22, 1986.
Viewing to be arranged through the Aramco Sales Unit in Dhahran.

Bid Closing Date: June 23, 1986.

(S-4-86)

Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

Q

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
77⅝	47	QuakOt	1.40	1.9	18	735	74⅝	72¾	72	—1¼
30	18½	QuakSO	.80a	2.8	14	405	29	28⅝	29	+⅜
9¼	5	Quanex				44	6⅝	6⅛	6⅛	
33	25¼	Questar	1.72	5.5	12	313	31⅜	30¾	31⅜	+⅜
40⅛	19½	QkReil	.28a	.9	17	59	32⅝	32⅜	32⅜	—½

X

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
72¼	45⅛	Xerox	3.00	5.1	14	2928	59⅝	58	58½	—⅞
58⅛	52⅜	Xerox pf	5.45	9.8		251	56	55⅝	55⅝	
28¼	20⅛	XTRA	.64	2.7		134	23⅝	23¼	23⅝	—⅛

Y

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
17	13½	Yorkin n				2828	15⅝	15⅛	15⅛	+1⅛

Z

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
38	26¼	ZaleCp	1.32	3.5		961	37⅞	37½	37⅝	+¼
12⅛	3½	Zapata	.08t			561	4⅛	4⅛	4⅛	
81⅞	47⅜	Zayre	.64	.8	24	360	79⅞	79⅛	79⅝	+½
29⅜	16⅛	ZenithE				509	27⅜	26⅞	26⅞	—⅜
34⅝	17⅛	ZenLbs	.10t	.3	21	493	31⅜	31⅛	31⅜	+⅜
18⅛	8⅛	ZenLb wt				21	16⅛	15⅝	16	
22⅜	14	Zeros	.29	1.6	18	110	18⅝	18⅛	18⅛	
45⅜	32¼	Zurmin	1.32	3.4	14	54	39⅛	38⅞	39⅛	+½

Brazil Considers New 'Super' State Holding Company

United Press International

BRASILIA — The Brazilian government is considering creation of a "super" holding company to control the finances of 241 government-run companies in an effort to reduce the federal deficit.

President José Sarney is discussing the idea with Planning Minister João Sayad and key economic advisers, a spokesman said Tuesday.

"We are studying the possible creation of a holding company that would administer all the resources of the state-run companies," the presidential spokesman, Antônio Frota Neto, said.

Of the 241 government-controlled companies, 179 are engaged in production. At least 70 percent of Brazil's $100-billion foreign debt is held by these concerns.

Three months ago, the government launched a "zero-inflation" program that so far has been successful in slashing the country's earlier 400-percent annual inflation. But officials were worried that continued government spending would cause inflation to return.

Business leaders said creation of a "super company" to control spending at government-run companies could achieve economies of scale and save money by reducing duplication.

"If the idea is to control the public deficit, then the idea is very advantageous," said Luis Eulálio Bueno Vidigal, president of the powerful São Paulo State Federation of Industries.

However, Mining and Energy Minister Antônio Aureliano Chaves, who controls the huge government-run oil company, Petrobrás, said he opposed the plan.

Petrobrás is one of the few goverment-run companies that has excellent profits.

Government sources said formation of a holding company would make it easier to transfer profits from companies such as Petrobrás to other companies that needed financing.

"Petrobrás is a company that shows a profit, and at this moment we cannot transfer those resources to the electricity company where we need to make investments," a source said.

Although Brazil's public deficit was projected to total $4.3 billion this year, officials now believe it will be held to around $1 billion, mainly because of lower oil-import prices and savings realized by the anti-inflation program.

NYSE Highs-Lows

NEW HIGHS 79

Albertsons	AllenGp pf	AmWatr pfB	AmSouBcp s
ArmWin	Arvinin 2pf	Bandag Inc	BlairJn
BollBernk	Borden s	Brunswick s	BundyCp
CampSoup s	Centil PSvc	CentrnData	Cert-teed
Citcorp	CircuitCity	ColinFds	ColGas pfB
ConnNGs s	CnPw 440pr	Craig Corp	Dorsey Cp
duPont	Enron 1050p	Equifax s	FMC wi
FamDlrSt	Fedders	FederalCo s	FedHmeLo pf
FstBkSy	Fuqua	GrnWtPwr	GulfWest
HoughtMif	Interco pf	KDI Cp	K mart
LLCCorp	MCorp cvpf	MEI Divrs	MartonLab s
Marriott	Marriot wi	MartMar s	Masco s
Maytag s	McKesson	McKesson pf	MesaLP a
MidwstEngy s	Minn PwLt	Mohasco	Munsing s
NBD Bcp	OgdenCp	Orange Rk	PetriRss pf
PhilVanH	PiedAvt pf	Pier 1 Inc	Pillsbury
Potom Elec	PotEl 244pf	PSInd 41⁄4pf	PSInd 432pf
RollinCom	RylandGp	SeaCntLtd pf	Seaast Bkg
Tambrand	Telerateinc	USG wi	Uniroyal pf
Wayne Goss	WaynGos pf	Wis PubSv	

NEW LOWS 12

AetnaLf pfC	AmGenl adj p	ApPw 386pf	ArrowE pf
BkBos adj pf	CnLaElec pf	NIM adj pf	OccP 1462p
OhEd adj A	Sanders	SouUnCo	WnUn 460pf

EC Sees Average Growth In GDP of 2.7% for '86

Reuters

BRUSSELS — The European Community's Executive Commission forecast Wednesday that growth in gross domestic product in the 12 member states would average 2.7 percent this year and 2.8 percent in 1987 after 2.3 percent growth in 1985.

Massimo Russo, the commission's director-general for economic and financial affairs, said the impact of lower oil prices had added one percentage point to the forecast for GDP, a measure of the total output of goods and services minus income from operations abroad.

He described the forecast as "a bit conservative" although he noted that the EC's economy had been surprisingly flat in the first quarter.

U.S. Futures

Via The Associated Press

June 4

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.10	2.41	Jul	2.49½	2.53¾	2.47½	2.52¾	+.03½
2.99	2.42	Sep	2.51½	2.55	2.49½	2.54	+.02¾
3.09	2.51	Dec	2.59	2.62½	2.57	2.60½	+.01¾
3.08	2.51	Mar	2.59	2.61	2.57	2.60	+.01½
3.00	2.44	May	2.50	2.51	2.48½	2.49½	+.01
2.50	2.36	Jul	2.38	2.38	2.37	2.37½	—.01
Est. Sales	Prev. Sales 7,891						
Prev. Day Open Int. 34,222 up 374							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.86	2.35½	Jul	2.35½	2.37½	2.34¾	2.37	+.01½
2.70	1.97	Sep	2.01	2.01½	2.00	2.00¾	+.00¾
2.35½	1.92½	Dec	1.95¼	1.95¾	1.94	1.94¾	
2.47½	2.02	Mar	2.05	2.05½	2.03¾	2.04¼	—.00½
2.52	2.07	May	2.10½	2.10½	2.09	2.09½	—.00½
2.27	2.07½	Jul	2.10½	2.11	2.09½	2.09¾	—.00¼
2.00¼	1.97½	Sep	1.99	1.99	1.98	1.98½	+.00½
Est. Sales	Prev. Sales 23,699						
Prev. Day Open Int. 315,353 off 391							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.58	4.97	Jul	5.28	5.29¾	5.26½	5.29	+.01½
6.09	4.98½	Aug	5.21	5.22¾	5.19¾	5.21¾	+.01½
5.53	4.96	Sep	5.10½	5.11½	5.09	5.10¾	+.01
5.56½	4.97¼	Nov	5.06¼	5.08	5.04¾	5.06¾	
5.65	5.06	Jan	5.16	5.16½	5.13¾	5.15¾	—.00½
5.75	5.15½	Mar	5.25½	5.25½	5.24	5.24¾	—.00½
5.74	5.22	May	5.31½	5.31½	5.29½	5.29½	—.01½
5.76	5.26	Jul	5.34	5.34	5.32½	5.33½	
5.40	5.35	Aug	5.32	5.32½	5.32	5.32½	
Est. Sales	Prev. Sales 13,225						
Prev. Day Open Int. 65,956 up 65,510							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
167.00	134.00	Jul	147.90	147.90	146.80	147.30	—.30
163.50	135.50	Aug	147.10	147.30	146.10	146.30	—.70
160.50	137.50	Sep	145.60	145.60	144.20	144.20	—1.20
160.00	136.00	Oct	144.50	144.50	142.20	142.70	—1.20
162.10	136.00	Dec	145.50	146.00	144.00	144.30	—1.30
163.10	136.00	Jan	146.00	146.90	145.50	145.60	—.90
163.10	147.60	Mar	148.50	148.50	147.60	147.60	—1.10
Est. Sales	Prev. Sales 8,289						
Prev. Day Open Int. 47,023 off 47							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.25	17.05	Jul	17.34	17.80	17.26	17.47	+.20
25.15	17.16	Aug	17.50	17.82	17.43	17.64	+.22
24.05	17.10	Sep	17.60	17.90	17.49	17.73	+.23
22.80	17.25	Oct	17.60	17.88	17.47	17.80	+.30
22.50	17.51	Dec	17.95	18.25	17.85	18.08	+.26
22.35	17.70	Jan	18.00	18.38	17.98	18.15	+.23
20.25	18.20	Mar	18.50	18.59	18.41	18.41	+.14
20.90	18.48	May	18.57	18.57	18.57	18.70	+.15
Est. Sales	Prev. Sales 13,736						
Prev. Day Open Int. 57,831 up 22							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
66.60	52.42	Jun	52.72	53.32	52.55	52.90	+.35
61.75	49.95	Aug	50.50	50.90	50.15	50.48	+.28
60.60	49.50	Oct	50.15	50.55	49.90	50.07	+.32
61.75	51.60	Dec	51.92	52.62	51.92	52.30	+.45
60.20	51.70	Feb	52.37	52.80	52.35	52.45	+.45
58.90	53.30	Apr	53.70	54.15	53.70	54.15	+.55
57.70	54.60	Jun	54.90	54.90	54.90	54.90	+.30
Est. Sales 14,674	Prev. Sales 17,467						
Prev. Day Open Int. 55,950 off 383							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
68.70	53.35	Aug	55.70	56.90	55.70	56.27	+.57
64.25	52.40	Sep	54.15	54.70	54.10	54.47	+.45
64.10	52.85	Oct	54.40	55.10	54.40	54.67	+.62
64.00	54.15	Nov	55.70	56.00	55.60	55.62	+.42
63.00	54.25	Jan	57.80	58.00	57.50	57.50	+.10
60.00	56.75	Mar	57.60	57.85	57.40	57.40	+.20
60.50	57.00	Apr				57.50	+.10
Est. Sales 1,012	Prev. Sales 1,150						
Prev. Day Open Int. 9,530 up 8							
HOGS (CME) 30,000 lbs.- cents per lb.							
50.95	39.80	Jun	50.70	50.80	50.20	50.75	+.10
49.85	40.45	Jul	48.00	48.10	47.30	47.65	—.42
48.00	39.00	Aug	45.60	45.60	44.98	45.07	—.55
42.60	36.50	Oct	41.82	41.82	41.22	41.40	—.42
44.30	38.37	Dec	42.10	42.10	41.60	41.67	—.43
44.00	39.95	Feb	41.70	41.90	41.50	41.60	—.10
41.60	37.20	Apr	38.75	38.75	38.45	38.80	—.02
41.60	39.00	Jun	40.75	40.75	40.75	40.90	+.05
41.60	40.20	Jul	41.22	41.22	41.22	41.22	—.05
Est. Sales 5,876	Prev. Sales 6,910						
Prev. Day Open Int. 25,130 up 26							
PORK BELLIES (CME) 38,000 lbs.- cents per lb.							
76.10	51.05	Jul	68.40	68.85	67.45	68.32	—.53
71.25	49.90	Aug	66.70	67.20	65.75	66.45	—.55
62.60	54.40	Feb	59.40	59.60	58.30	58.40	—1.27
62.00	56.30	Mar	58.00	58.00	57.30	57.30	—1.20
62.75	58.00	May	59.40	59.40	59.40	59.40	—1.00
60.50	62.25	Jul	61.20	61.20	61.20	61.20	
Est. Sales 5,126	Prev. Sales 6,495						
Prev. Day Open Int. 10,890 off 2							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
278.38	135.50	Jul	187.00	192.25	184.10	190.71	+1.87
282.78	137.50	Sep	191.40	196.00	184.75	194.22	+1.18
287.10	138.00	Dec	195.50	199.80	192.25	198.37	+1.12
290.33	156.75	Mar	198.25	202.00	198.25	201.25	+1.25
291.83	189.00	May	199.50	200.00	199.50	203.50	+.75
264.25	202.00	Jul	201.00	203.90	201.00	202.90	—.33
255.80	219.00	Sep				206.63	+2.75
Est. Sales 3,404	Prev. Sales 3,483						
Prev. Day Open Int. 16,475 off 106							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
9.50	3.79	Jul	7.32	7.44	7.25	7.29	—.09
9.46	4.05	Sep	7.40	7.50	7.37	7.37	—.09
9.55	4.02	Oct	7.58	7.49	7.50	7.51	—.12
9.53	6.25	Jan	7.70	7.70	7.70	7.62	—.13
9.46	6.83	Mar	8.00	8.18	7.92	7.94	—.11
9.82	6.75	May	8.17	8.27	8.10	8.10	—.12
9.92	7.84	Jul	8.34	8.35	8.28	8.28	—.11
		Sep				8.39	—.11
9.60	8.28	Oct	8.55	8.55	8.50	8.55	—.07
Est. Sales 9,228	Prev. Sales 13,999						
Prev. Day Open Int. 97,037 up 2,439							
COCOA (NYCSCE) 10 metric tons- $ per ton							
2429	1691	Jul	1745	1770	1748	1759	+34
2430	1755	Sep	1827	1827	1810	1821	+37
2425	1805	Dec	1880	1883	1868	1876	+31
2385	1865	Mar	1921	1921	1907	1919	+34
2184	1900	May	1945	1945	1945	1953	+40
2200	1930	Jul				1978	+43
2040	1955	Sep				1995	+32
Est. Sales	Prev. Sales 4,411						
Prev. Day Open Int. 25,206 up 785							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
157.50	83.50	Jul	99.35	99.85	98.55	98.60	—.70
127.25	82.00	Sep	100.00	100.40	99.55	99.60	+.05
129.00	82.50	Nov	101.00	101.50	100.80	100.80	+.25
113.00	83.75	Jan	101.80	102.20	101.70	101.50	+.05
122.00	83.90	Mar	102.00	103.10	102.00	102.00	+.15
109.00	84.50	May	103.50	103.50	103.10	102.60	+.35
101.70	84.75	Jul	103.00	103.00	103.00	103.20	+.45
		Sep				103.20	+.45
		Nov				103.20	+.45
Est. Sales 500	Prev. Sales 508						
Prev. Day Open Int. 6,835 off 86							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
COPPER (COMEX) 25,000 lbs.- cents per lb.							
67.45	62.40	Jun				62.15	+.50
73.55	60.35	Jul	61.80	62.65	61.60	62.45	+.55
		Aug				62.65	+.55
70.90	60.90	Sep	62.10	63.00	62.05	62.80	+.55
70.30	61.60	Dec	62.45	63.15	62.40	63.15	+.55
70.20	63.30	Jan				63.25	+.55
70.00	62.55	Mar	62.90	64.55	62.80	63.45	+.50
70.10	62.90	May				63.70	+.50
69.95	63.25	Jul	63.50	63.95	63.50	64.00	+.50
70.35	63.50	Sep				64.30	+.50
69.50	64.90	Dec				64.70	+.50
70.80	70.80	Jan				64.85	+.50
68.50	65.60	Mar	64.55	64.55	64.55	65.15	+.50
Est. Sales 7,200	Prev. Sales 9,042						
Prev. Day Open Int. 71,246 off 196							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
		Jun				54.55	—.45
63.45	44.50	Jul	55.10	55.35	54.50	54.55	—.45
		Aug				54.35	—.55
61.20	44.90	Sep	54.80	54.80	54.60	54.35	—.65
61.75	48.95	Dec				54.40	—.65
57.60	56.00	Jan				54.50	—.65
59.40	54.50	Mar	55.20	55.20	55.20	54.60	—.65
57.65	49.40	May				54.70	—.65
60.45	50.00	Jul				54.80	—.65
52.15	51.50	Sep				54.90	—.65
		Dec				55.05	—.65
		Jan				55.15	—.65
		Mar				55.25	—.65
Est. Sales 193	Prev. Sales 80						
Prev. Day Open Int. 1,412 off 5							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
554.0	485.0	Jun	511.5	520.0	511.5	515.9	+1.7
945.0	487.0	Jul	513.0	522.5	510.5	518.5	+1.5
		Aug				521.8	+1.6
940.0	493.0	Sep	520.0	529.0	516.5	525.1	+1.6
799.0	502.0	Dec	531.5	539.5	526.5	534.9	+1.6
789.0	510.5	Jan	532.0	533.0	533.0	538.2	+1.6
770.0	511.0	Mar	539.5	540.0	539.5	544.6	+1.6
752.0	520.0	May				551.3	+1.6
746.0	524.0	Jul				558.7	+2.1
729.2	532.0	Sep				566.1	+2.2
694.0	543.5	Dec	573.0	577.0	573.0	577.5	+2.5
607.0	553.0	Jan				581.6	+2.5
598.0	558.0	Mar				589.5	+2.7
Est. Sales 14,000	Prev. Sales 10,495						
Prev. Day Open Int. 75,020 off 581							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
448.00	273.00	Jul	419.60	420.00	416.50	417.30	—3.90
450.00	303.50	Oct	422.80	423.00	419.50	420.60	—4.10
449.50	347.00	Jan	423.80	424.50	423.00	425.50	—4.40
448.50	361.00	Apr	429.00	429.00	427.00	425.50	—4.40
436.00	417.00	Jul	431.00	431.00	431.00	429.00	—4.40
Est. Sales 2,558	Prev. Sales 2,108						
Prev. Day Open Int. 16,362 off 82							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.30	91.50	Jun	105.50	106.00	105.50	106.10	+.50
119.00	91.70	Sep	107.50	108.00	107.00	107.55	+.45
120.00	94.25	Dec	108.30	109.00	108.20	108.80	+.45
120.00	102.00	Mar				110.05	+.45
113.00	112.50	Jun				111.30	+.45
Est. Sales	Prev. Sales 193						
Prev. Day Open Int. 5,458 off 264							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
433.50	320.50	Jun	342.00	342.30	340.80	341.70	—.60
		Jul				343.20	—.50
427.50	328.00	Aug	345.00	345.40	343.60	344.80	—.50
395.70	331.50	Oct	347.40	348.40	346.50	348.20	—.40
392.00	336.50	Dec	351.30	352.30	350.40	351.80	—.30
397.50	337.30	Feb				355.70	—.20
405.00	346.30	Apr				359.50	—.10
409.00	350.50	Jun				363.40	
408.50	356.00	Aug				367.70	+.10
420.00	361.80	Oct				371.90	+.20
399.40	367.00	Dec				376.50	+.30
384.20	373.50	Feb				381.30	+.40
		Apr				384.20	+.50
Est. Sales 18,000	Prev. Sales 12,942						
Prev. Day Open Int. 114,574 up 589							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.71	87.01	Jun	93.42	93.42	93.48	93.49	—.12
94.06	88.00	Sep	93.46	93.70	93.46	93.53	—.11
94.35	89.05	Dec	93.61	93.63	93.38	93.44	—.11
94.56	89.58	Mar	93.42	93.42	93.20	93.24	—.11
94.35	90.50	Jun	93.16	93.16	92.94	92.96	—.12
94.18	90.83	Sep	92.70	92.70	92.66	92.67	—.13
93.93	91.48	Dec	92.45	92.45	92.40	92.42	—.13
93.80	92.19	Mar	92.18	92.18	92.18	92.17	—.14
Est. Sales	Prev. Sales 11,025						
Prev. Day Open Int. 38,504 off 662							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
105-8	74-30	Jun	97-25	98-5	95-19	95-29	—117
104-22	80-7	Sep	96-26	97-13	94-19	95-2	—117
103-6	80-2	Dec	96-5	96-5	94-8	94-8	—117
102-6	89-15	Mar				93-14	—117
Est. Sales	Prev. Sales 35,190						
Prev. Day Open Int. 79,269 off 937							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
105-15	56-29	Jun	94-6	94-8	90-22	91-14	—3
104-20	56-29	Sep	93-11	93-16	90-20	90-22	—130
103-25	56-25	Dec	92-16	92-22	89-27	89-29	—130
102-30	56-27	Mar	91-17	91-22	89-3	89-5	—130
102-5	63-12	Jun	90-31	90-31	88-12	88-14	—130
101-22	63-4	Sep	90-10	90-18	87-23	87-25	—130
101-10	62-24	Dec	89-10	89-10	87-4	87-6	—130
100-26	67	Mar	86-29	86-29	86-19	86-21	—130
99-23	66-25	Jun	86-13	86-13	86-5	86-5	—130
99-12	76-8	Sep				85-22	—127
99-2	85-16	Dec				85-11	—130
Est. Sales	Prev. Sales 314,868						
Prev. Day Open Int. 222,519 off 2,359							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
103-17	79-10	Jun	92-20	92-20	90-31	91-1	—19
103-1	79-10	Sep	91-29	91-31	89-16	89-17	—131
98-22	88-20	Dec				89-2	—131
95-25	95-2	Mar				88-14	—131
Est. Sales	Prev. Sales 4,472						
Prev. Day Open Int. 9,611 off 28							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 130,000 bd. ft.- $ per 1,000 bd. ft.							
190.90	144.00	Jul	162.80	163.10	156.80	158.80	—5.00
182.40	145.50	Sep	162.50	162.50	153.80	156.30	—3.90
174.50	146.00	Nov	160.00	160.30	156.20	156.70	—3.50
175.90	150.00	Jan	164.00	164.00	160.70	161.90	—1.80
175.20	153.00	Mar	164.90	164.00	161.40	163.80	—2.00
172.00	160.00	May	163.20	163.20	163.20	163.20	—1.30
Est. Sales 2,762	Prev. Sales 3,280						
Prev. Day Open Int. 6,448 up 147							

Stock Indexes

(Indexes compiled shortly before market close)

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
250.40	183.90	Jun	246.25	246.80	242.30	244.45	—1.45
252.70	187.80	Sep	248.80	249.10	244.50	246.45	—1.80
254.60	178.40	Dec	249.35	250.40	247.30	248.65	—2.80
Est. Sales	Prev. Sales 98,814						
Prev. Day Open Int. 97,027 off 2,636							
VALUE LINE (KCBT) points and cents							
248.80	197.00	Jun	245.25	245.35	242.08	242.40	—1.45
250.35	200.85	Sep	247.00	247.50	243.20	245.85	—.95
Est. Sales	Prev. Sales 3,959						
Prev. Day Open Int. 14,738 off 729							
NYSE COMP. INDEX (NYFE) points and cents							
143.95	104.90	Jun	141.70	141.95	139.35	140.50	—1.15
145.40	108.10	Sep	143.15	143.35	140.75	141.80	—1.25
146.55	121.10	Dec	144.40	144.40	142.00	142.85	—1.45
147.70	136.90	Mar	145.65	145.65	145.65	145.65	+.10
Est. Sales	Prev. Sales 16,467						
Prev. Day Open Int. 15,964 up 62							
MMI MAXI INDEX (CBT) 250 x index							
359.25	310.90	Jun	355.40	356.20	350.20	353.40	—1.25
360.80	332.60	Jul	356.60	357.05	351.40	354.40	—1.70
362.10	331.00	Sep	358.40	358.40	353.80	356.80	—1.90
Est. Sales	Prev. Sales 7,792						
Prev. Day Open Int. 6,269 off 477							

Commodity Indexes

	Close	Previous
Moody's	955.70 f	955.60 f
Reuters	N.A.	N.A.
D.J. Futures	N.A.	114.50
Com. Research Bureau	N.A.	N.A.

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Currency Options

PHILADELPHIA EXCHANGE June 3

Total call vol. 11,789 Call open int. 325,482
Total put vol. 12,404 Put open int. 272,759
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Asian Commodities

June 4

SINGAPORE GOLD FUTURES
U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Jun	N.T.	N.T.	342.00	342.70
Aug	345.00	345.00	345.00	345.40
Sep	N.T.	N.T.	346.60	347.00

Volume: 70 lots of 100 oz.

SINGAPORE RUBBER
Singapore cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
RSS 1 Jly	169.00	169.50	170.00	170.50
RSS 1 Aug	170.00	170.50	171.00	171.50
RSS 2 Jly	166.50	168.50	167.00	169.00
RSS 3 Jly	164.50	166.50	165.00	167.00
RSS 4 Jly	161.50	163.50	162.00	164.00
RSS 5 Jly	156.50	158.50	157.00	159.00

Source: Reuters.

U.S. Treasuries

June 3

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	6.40	6.38	6.60	6.55
6-month bill	6.46	6.44	6.77	6.79
1-year bill	6.53	6.51	6.95	6.98

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	93 23/32	93 25/32	7.79	7.90

Source: Salomon Brothers.

Merrill Lynch Treasury index: 147.20
Change for the day: + 0.78
Average yield: 8.10 %
Source: Merrill Lynch.

London Metals

June 4

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM Sterling per metric ton				
Spot	795.00	797.00	793.00	794.00
Forward	766.00	768.00	772.00	773.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	941.00	942.00	934.00	935.00
Forward	949.00	950.00	947.00	947.50
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	935.00	940.00	928.00	930.00
Forward	938.00	939.00	935.00	937.00
LEAD Sterling per metric ton				
Spot	269.00	270.00	261.00	262.00
Forward	273.00	274.00	267.00	268.00
NICKEL Sterling per metric ton				
Spot	2705.00	2715.00	2685.00	2695.00
Forward	2760.00	2765.00	2745.00	2750.00
SILVER Pence per troy ounce				
Spot	342	343	340	342
Forward	350.00	351.00	356.00	357.00
ZINC Sterling per metric ton				
Spot	465.00	475.00	455.00	465.00

Source: AP.

London Commodities

June 4

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
SUGAR Sterling per metric ton						
Aug	N.A.	N.A.	—	—	167.00	167.40
Oct	N.A.	N.A.	—	—	171.40	171.60
Dec	N.A.	N.A.	—	—	174.40	176.00
Mar	N.A.	N.A.	—	—	180.20	180.60
May	N.A.	N.A.	—	—	183.80	184.40
Aug	N.A.	N.A.	—	—	187.00	188.60
Oct	N.A.	N.A.	—	—	192.00	193.60
Volume: n.a. lots of 50 tons.						
COCOA Sterling per metric ton						
Jly	1,334	1,298	1,317	1,319	1,301	1,302
Sep	1,358	1,336	1,340	1,341	1,321	1,322
Dec	1,396	1,372	1,377	1,379	1,360	1,362
Mar	1,424	1,400	1,406	1,408	1,391	1,392
May	1,445	1,421	1,429	1,430	1,408	1,411
Jly	1,458	1,444	1,440	1,450	1,428	1,430
Sep	1,465	1,462	1,450	1,470	1,435	1,450
Volume: 4,626 lots of 10 tons.						
COFFEE Sterling per metric ton						
Jly	1,868	1,820	1,852	1,855	1,880	1,885
Sep	1,913	1,865	1,900	1,905	1,930	1,935
Nov	1,942	1,905	1,935	1,945	1,962	1,964
Jan	1,979	1,950	1,960	1,985	1,985	1,995
Mar	1,975	1,960	1,970	2,000	1,995	2,005
May	1,985	1,985	1,985	1,995	2,020	2,040
Jly	N.T.	N.T.	1,990	2,030	2,038	2,085
Volume: 4,289 lots of 5 tons.						
GASOIL U.S. dollars per metric ton						
Jun	114.00	111.25	112.75	113.00	117.75	118.25
Jly	114.50	112.00	113.50	113.75	118.25	118.50
Aug	117.50	115.00	115.25	115.50	121.50	122.00
Sep	120.50	117.75	117.75	118.00	124.25	124.75
Oct	123.00	120.75	121.00	121.75	126.00	126.50
Nov	125.50	124.00	124.00	124.50	128.50	129.25
Dec	128.00	126.75	126.50	126.75	132.00	132.50
Jan	N.T.	N.T.	127.00	130.00	129.00	135.00
Feb	N.T.	N.T.	128.00	135.00	126.00	138.00
Volume: 4,175 lots of 100 tons.						

Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

S&P 100 Index Options

June 3

Total call volume 176,571
Total call open int. 528,193
Total put volume 142,887
Total put open int. 683,728
Index:
High 235.35 Low 232.07 Close 235.30 +0.79
Source: CBOE.

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Paris Commodities

June 4

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Aug	1,443	1,424	1,433	1,434	—43
Oct	1,476	1,454	1,467	1,469	—35
Dec	1,505	1,474	1,477	1,490	—37
Mar	1,525	1,510	1,510	1,524	—36
May	N.T.	N.T.	1,548	1,567	—33
Aug	N.T.	N.T.	1,595	1,610	—31
Est. vol.: 1,908 lots of 50 tons. Prev. actual sales: 1,795 lots. Open interest: 20,359					
COCOA French francs per 100 kg					
Jly	N.T.	N.T.	—	1,400	+20
Sep	1,480	1,400	1,416	1,430	+9
Dec	1,470	1,470	1,458	1,460	+15
Mar	N.T.	N.T.	1,470	1,485	+18
May	N.T.	N.T.	1,497	1,503	+25
Jly	N.T.	N.T.	1,510	—	+25
Sep	N.T.	N.T.	1,525	—	+30
Est. vol.: 4 lots of 10 tons. Prev. actual sales: 1 lots. Open interest: 166					
COFFEE French francs per 100 kg					
Jly	N.T.	N.T.	—	2,000	—30
Sep	2,050	2,000	2,005	2,025	+8
Nov	2,065	2,030	2,036	2,055	Unch.
Jan	N.T.	N.T.	2,060	2,085	Unch.
Mar	N.T.	N.T.	2,070	—	+30
May	N.T.	N.T.	2,075	—	—75
Jly	N.T.	N.T.	2,077	—	—75
Est. vol.: 63 lots of 5 tons. Prev. actual sales: 168 lots. Open interest: 974					

Source: Bourse du Commerce.

Chip Negotiations To Be Continued

The Associated Press

TOKYO — Senior Japanese and U.S. officials ended two days of talks on trade in computer memory chips Wednesday and decided to continue the talks in Washington, an official of the Ministry of International Trade and Industry said.

The official declined to disclose the contents of the talks, arranged to settle details of a "broad agreement" between the United States and Japan. The official said the talks would resume Thursday in Washington.

The United States and Japan have been negotiating over the semiconductor issue since last August. The United States contends that Japan is "dumping" computer chips in the United States, or selling them at less than their market value, and is harming the U.S. industry.

Cash Prices

June 4

Commodity and Unit	Wed.	Year Ago
Coffee 4 Santos, lb.	2.85	1.38
Printcloth 64/30 38 ½, yd	0.64	0.60
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	73-74	79-80
Lead Spot, lb	19-21	19-21
Copper elect., lb	68-67	69-73
Tin (Straits)*, lb	n.a.	5.9975
Zinc, E. St. L. Basis, lb	0.38-.39	0.46-.47
Palladium, oz	107-109	98-101
Silver N.Y., oz	n.a.	6.085

*: New York spot price.
Source: AP.

Dividends

June 4

Company	Per	Amt	Pay	Rec
INCREASED				
Berkshire Gas Co	Q	.55	7-15	6-30
OMITTED				
Bralorne Resources				
Elgin National Indus				
STOCK				
Manhattan Ind		4PC	7-1	6-10
STOCK SPLIT				
Anthony Industries — 5-for-4				
USUAL				
Bristol Myers Co	Q	.55	8-1	7-3
CooperVision Inc	Q	.10	7-1	6-17
Doyle Dane Bern	Q	.22	7-15	6-30
Dylex Ltd	Q	.05	6-30	6-19
Gulf & Western	Q	.22 ½	7-1	6-13
McDermott Intl	Q	.45	7-1	6-16
Overseas Shipholdg	Q	.12 ½	8-27	8-1
Petroleum Invest	Q	.10	6-30	6-16
Philips-Van Heusen	Q	.10	9-10	8-21
Pillsbury Co	Q	.43	8-31	8-1
Pillsbury Co	Q	.43	8-31	8-1
Revco DS Inc	Q	.20	6-30	6-13
Southwest Gas Corp	Q	.30	9-2	8-11
Square D Co	Q	.46	7-1	6-16
TRE Corp	Q	.25	8-5	6-27
US Healthcare	Q	.03	6-27	6-18
US Healthcare cl-B	Q	.02 ½	6-27	6-18
Vulcan Corp	Q	.20	9-0	8-22
Weisfield's Inc	Q	.12 ½	7-24	7-3
Zayre Corp	Q	.08	8-30	8-7

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

June 4

Estimated total vol. n.a.
Source: CME.

Dee to Buy ABF's Fine Fare Group

Reuters

LONDON — Dee Corp. PLC and Associated British Foods PLC have conditionally agreed for Dee to acquire ABF's Fine Fare group, the companies said Wednesday.

Dee is to acquire Fine Fare's share capital by issuing 135 million new ordinary shares to ABF. Dee will also acquire Fine Fare's debentures totaling £349.6 million ($524 million) in exchange for the issue of 147.5 million new ordinary shares, which will be offered publicly.

The statement said a loan of £99.6 million, included in the Fine Fare debentures, was arranged to finance capital spending and would be offset by a corresponding cash balance in the group's accounts at the time of purchase by Dee.

Dee will issue 282.5 million new ordinary shares and will thus increase its issued-share capital to 877.6 million shares, of which ABF will hold 15.4 percent.

The Dee shares being offered will be sold at 237 pence, with 100 pence payable on application and the remaining 137 pence due on Sept. 26.

Under the offer, existing shareholders can apply for 110.6 million shares, or 75 percent of those on offer, the companies' statement said.

Fine Fare group is a British food retailer with annual sales of about £1.16 billion that holds a market share of slightly more than 5 percent of the packaged grocery trade.

It operates 280 stores under the Fine Fare name and 139 stores under the Shoppers Paradise name. Fine Fare is also developing about 27 new stores.

Dee plans to integrate Fine Fare into its Gateway Foodmarkets and Carrefour chains over the next three years.

The combined operation would have annual revenue of more than £3 billion and would give Dee about 11 percent of the British grocery market after selling off a limited number of stores, the statement said.

The new Dee shares being placed will not qualify for the 1985-86 final dividend.

Under the placing, existing Dee shareholders can apply for any number of shares. The level of allocations will depend on demand. Applications for 4 new shares for every 17 already held will be allotted in full.

ABF will retain its Dee shares for at least six months and sell no more than 30 million shares in the following six months, the statement said. It will sell no shares for two years without consultation with Dee, the statement said.

Completion of the transaction is expected on June 27.

Paramount Pictures to Buy Trans-Lux Theaters in U.S.

Los Angeles Times Service

LOS ANGELES — Paramount Pictures Corp., already the owner of a large chain of Canadian motion picture houses, says it has agreed in principle to acquire 24 Trans-Lux theater screens for about $15 million.

The transaction announced Tuesday signals Paramount's re-entry into U.S. exhibition after a 37-year absence. The company divided its movie-making and screening businesses in 1949 when faced with a federal antitrust action.

Paramount Pictures, which retained the production unit, was not barred from theater ownership under the consent decree it signed. Nor were two other major studios, Universal Pictures and Columbia Pictures.

The chairman of Trans-Lux, Richard Brandt, said the sale included one New York theater, the Gotham Cinema, which he described as one of Manhattan's eight or 10 "key houses" for opening significant motion pictures.

Trans-Lux, headquartered in Norwalk, Connecticut, has been in the exhibition business since 1931, but derives two-thirds of its revenues from the production of electronic teleprinters and ticker devices for the financial markets.

The sale to Paramount, a subsidiary of Gulf & Western Industries Inc., will end Trans-Lux's role as a traditional exhibitor, although it will keep two theme-oriented, multimedia exhibitions in New York.

Trans-Lux spent nearly $3 million in February to acquire a 9.9-percent stake in the company held by two New York businessmen, Michael Landes and Albert Schwartz, who had said they might seek control of Trans-Lux.

The company reported a net income of $1.7 million on revenues of $30.7 million for the year ended Dec. 31.

If Paramount completes the acquisition, it will become the fourth movie distributor to invest in the exhibition side of the business in less than a year.

Walker Vows to Contest Breach-of-Contract Suit

United Press International

TORONTO — Hiram Walker Resources vowed Wednesday to "vigorously" fight a multibillion-dollar lawsuit filed by London-based Allied-Lyons PLC in a struggle for control of Walker's liquor assets. "Hiram Walker believes that these proceedings are without merit," the liquor and resources conglomerate said in a statement.

On Monday, Allied-Lyons filed a $3.6-billion suit in Ontario Supreme Court to force Hiram Walker to proceed with an earlier agreement to sell its liquor business to the British company for the equivalent of $1.87 billion.

U.S. Approves Interferon Sale For Rare Cancer

The Associated Press

WASHINGTON — The U.S. government on Wednesday approved a type of interferon for use against a rare form of cancer.

The Food and Drug Administration approved licenses for Hoffmann-LaRoche Inc. of Nutley, New Jersey, and Schering-Plough Corp. of Madison, New Jersey, to market alpha interferon for use against hairy-cell leukemia.

The rare form of blood cancer afflicts an estimated 1,000 to 3,000 Americans, most of them adult men, the FDA said.

FDA Commissioner Dr. Frank Young said the approval "marks the first of what is sure to be an explosion of dramatic new medical advances emanating from this technology." Until now, interferon drugs have only been used experimentally.

Interferon is a hormone the body produces to alert the system to fight viruses. It was discovered in 1957. Scientists hoped it would cure cancer.

Eventually, a technique was perfected — which Hoffman-LaRoche and Schering-Plough now use — to splice human genes into bacteria, which then produce the substances in large quantities. But interferon experiments over the years have produced mixed results. Promise has been highest with its use against hairy-cell leukemia.

ComputerLand Founder To Sell His 96% Stake

By Donald Woutat

Los Angeles Times Service

LOS ANGELES — The founder of ComputerLand Corp., William H. Millard, has ensconced himself and his family on a South Pacific island and intends to sell his embattled 96-percent share of the computer-store chain, company officials said Tuesday.

Mr. Millard, 53, announced his plans Tuesday at a news conference at his new home on the 47-square-mile (121-square-kilometer) island of Saipan, about 200 miles (324 kilometers) northwest of Guam.

The move came as a surprise to executives at ComputerLand and others involved in the long legal battle over the company, based in Hayward, California. The decision appeared to contradict an agreement that he made in December to sell his stock in a public offering.

But Herbert Hafif, an attorney representing a group of investors that has threatened to seize control of ComputerLand, said Tuesday that "if properly handled, a sale could be a very successful and viable alternative for all parties."

The officials said the family intends to invest in "business ventures in the Pacific Rim."

Saipan, as part of the Northern Mariana Islands, is the type of U.S. possession that recently was upheld as a tax shelter for U.S. citizens, according to Richard G. Heller, a partner in the Los Angeles office of Peat, Marwick, Mitchell & Co.

Mr. Heller said the U.S. Senate's current proposal for tax reform closes that loophole. If the bill is enacted as now written, the loophole would be closed as of next Jan. 1, the date by which Mr. Millard would apparently have to sell his holdings to avoid paying U.S. taxes.

Mr. Millard's empire has been under siege since March 1985 when a jury awarded Micro-Vest, an investor group, a 20-percent stake in ComputerLand to satisfy an old debt owed to early principals in the company.

While the Millard family struggled to post a $25-million appeal bond, a revolt by ComputerLand dealers in October drove William and Barbara Millard out of top management. A partial settlement of the Micro-Vest case in December stripped the Millards of their board seats as well as voting rights for their stock.

But IMS, the family holding company, continues to own 96 percent of the stock in the $2-billion-a-year, 700-store chain. Mr. Millard had to post 35 percent of the stock with a court-appointed trustee for the duration of the appeal process, which leaves him free to sell about 61 percent now.

NYT

William H. Millard

JWT to Buy Gray For $21 Million

New York Times Service

NEW YORK — Gray & Co., one of the most influential lobbying firms in Washington, has agreed to be acquired for $21 million by JWT Group Inc.

Gray & Co. will become part of JWT's public-relations subsidiary, Hill & Knowlton Inc. Gray was founded five years ago by Robert Keith Gray, former vice chairman of Hill & Knowlton and communications director for the 1980 Reagan campaign.

Gray & Co., said it had revenues for the year ended Feb. 28 of $27.1 million and earnings of $1.2 million. Hill & Knowlton had fee income last year of $77 million.

COMPANY NOTES

American Airlines and **Continental Airlines** have announced promotions that offer customers two round-trip tickets to Europe for the price of one. Both airlines said the promotion involved the purchase of one round-trip ticket by July 15 for a flight to be made by Dec. 15, among other conditions.

Burns, Philp & Co. of Australia has formed a joint venture with Canada's largest brewer, John Labatt Ltd., to make twist-off crown seals for beer bottles. The Montreal-based venture, known as Auscan, began five months ago but the announcement was delayed for "market security reasons."

Eastman Kodak Co. said its Videk unit had introduced a monochrome solid-state camera for industrial uses that employs a new electronic imaging sensor, capable of taking a more accurate photograph than existing cameras.

Electrolux AB, the Swedish appliance maker, has launched a 2-billion-kronor ($275-million) stock issue at 278 kronor a share on a number of markets in Europe, North America and the Far East. The issue is mainly intended to finance Electrolux's takeover of White Consolidated Industries Inc.

GST, an engineering subsidiary of the West German Krupp group, will soon produce an amphibious tractor designed to clean up oil spills in coastal marshlands. The tractor was ordered by West Germany's Research and Technology Ministry specifically to operate along the flat North Sea coast.

Lloyd's of London, the insurance consortium, has moved into a new building. The futuristic structure in the City, London's financial district, was designed by the British architect Richard Rogers, who also designed the Pompidou Center art museum complex in Paris.

Reed International PLC, the paper and publishing group, has reported that pretax profit for the year ended March 31 rose 27.8 percent to £137.4 million ($205 million) from £107.5 million a year earlier. Revenue rose to £1.93 billion from £2.12 billion. Per-share earnings amounted to 79.5 pence, up from 53.6 pence.

Reuters Holdings PLC has bought the finance division of Hoviand Business Systems Ltd., which developed the software for Reuters' position-keeping service, which allows foreign-exchange and money-market dealers to record transactions electronically.

Takeda Chemical Industries Ltd., Japan's largest pharmaceuticals maker, has signed a five-year license agreement with Britain's Glaxo Holdings PLC. Glaxo will produce medicines using chemical compounds to be developed by the Japanese company and market them in Britain and Ireland.

Armco, U.S. Steel Plan Joint Venture

New York Times Service

CHICAGO — Armco Inc. and U.S. Steel Corp. have signed a letter of intent to create a joint venture involving their oil-field supply and service divisions.

Armco said Tuesday that the venture was subject to the execution of a definitive agreement, various closing conditions and government approval. It said the combination would permit a more cost-effective utilization of assets at a time of overcapacity in the oil-service industry.

A spokesman for Armco said there would probably be some job cuts. Armco's oil-field unit, National Supply Co., employs 2,400 people in 69 plants and 60 supply stores. In 1985, National Supply had sales of $531 million, down from $2 billion in 1981. U.S. Steel's Oilwell division employs 1,200 in 60 stores and 3 plants.

LEICUM FUND

A partir du 16 juin 1986, il sera payé un dividende de U.S. $46 par part contre remise du coupon n° 1 des certificats au porteur.

Ce coupon est payable auprès de la Banque Privée S.A., Succursale de Luxembourg: 20 Boulevard E. Servais - Luxembourg.

A partir du 16 juin 1986, la part sera cotée en bourse de Luxembourg, ex-coupon.

Les personnes souhaitant réinvestir le produit de leurs dividendes dans le fonds pourront le faire en tout ou en partie sans frais.

This advertisement appears as a matter of record only. These securities were placed privately and no public offering is being made.

$45,350,000

Serono

Ares-Serono Research & Development Limited Partnership

A limited partnership has been formed to research and develop two new therapeutic agents, five enzyme immunoassays, and five surface plasmon resonance diagnostic tests. Pilgrim R&D, Inc., a wholly-owned subsidiary of the ARES-SERONO GROUP, will act as General Partner.

The undersigned acted as the financial advisor and the placement agent for the partnership interests.

DEAN WITTER REYNOLDS INC.

New York Houston Atlanta Los Angeles Boston Philadelphia Chicago San Francisco Dallas London

May 1986

1985 Financial Highlights

Total Assets: $21.9 billion

Total Loans: $17.6 billion

Total Deposits: $15.1 billion

Net Profit: $53.7 million

A Statement of Achievement

For Bank Hapoalim, 1985 was a year of significant growth in profitability and principal financial activities. These achievements continued the previous year's trend to provide a firm basis for the future.

During 1985, we intensified our business initiatives while streamlining operations. We expanded our international corporate client base in world financial centers. In Israel and abroad, we financed a major part of the country's foreign trade, while maintaining an active presence in international money markets. These activities, supported by the progressive integration of advanced technologies, contributed to our impressive growth in profitability.

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Where will you be without gold when the locomotive runs out of steam?

The spectacular rise in stock values, precipitated by falling oil prices, has rocketed the world's stock exchanges to dizzying heights. There seems to be no end in sight. But just as oil prices cannot fall forever, stock prices cannot rise forever.

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Gold is money you can trust. Anytime. Anywhere. For full information on how to secure your financial assets in something solid, consult your bank or broker. Or write for your free copy of the 60-page, pocket-sized "European Guide to Gold" to:

Today the upside chances are in favour of gold. There may never be a better time to secure your paper assets in gold.

Gold
$
Dow Jones

Gold Information Centre IN
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Switzerland.

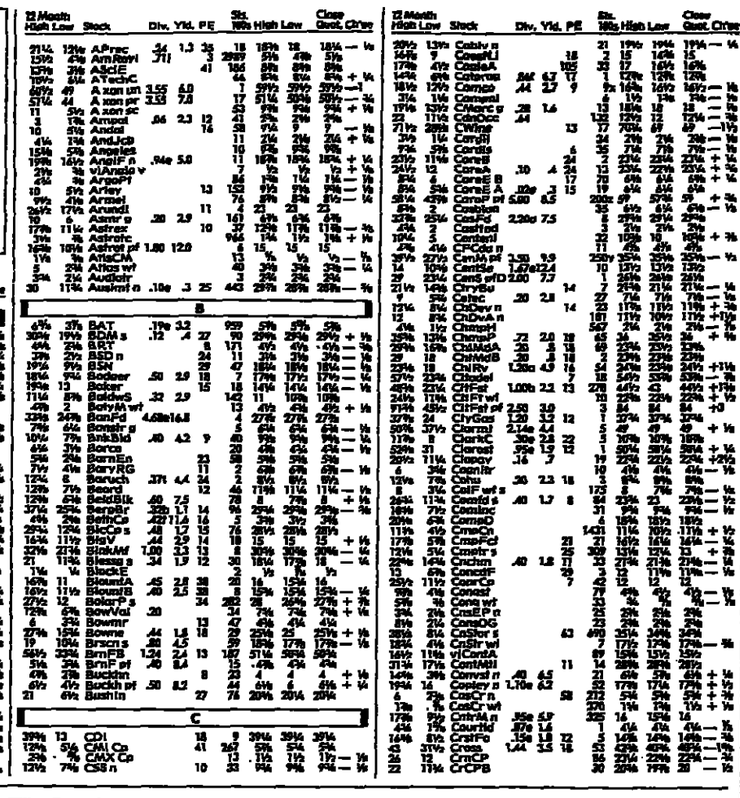
GOLD

Money you can trust.

Wednesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press



INTERNATIONAL POSITIONS

Présents dans 75 pays, forts de l'expérience de 26 000 collaborateurs, de la compétitivité internationale de nos produits, nous développons sur tous les marchés des solutions évolutives intégrant matériels, applications et services, pour donner à nos utilisateurs plus de liberté pour mieux entreprendre. Au sein du Groupe, BULL SYSTEMES conçoit, développe et industrialise nos grands et moyens systèmes, 5 000 personnes dont 1 500 ingénieurs y participent.

DOCUMENTATION TECHNIQUE HOT LINE DES CONCEPTEURS D'APPLICATIONS

Diplômé de l'enseignement supérieur, avec une expérience solide en informatique, vous êtes de langue maternelle anglaise et maîtrisez bien le Français.

Au sein d'une équipe de spécialistes en documentation, en liaison avec les équipes de développement, vous concevrez les manuels techniques logiciel ou matériel.

Trouver l'information pertinente, réagir aux attentes du terrain, nécessite goût de la communication et sens de l'illustration.

Votre acquis dans ce poste vous conduira à des fonctions à haute technicité dans les équipes de développement, de support ou de marketing.

Pour tous ces postes basés à Paris 20ème, adressez votre dossier de candidature (lettre, CV, photo et prétentions) sous référence 102 HT à Gérard GOYER Groupe BULL PC 1 L 009D, 94, Avenue Gambetta, 75990 Paris Cedex 20.

Bull

Portfolio Manager

International Convertible Fund

Merrill Lynch Asset Management—with more than 65 billion dollars (US) under management—is the world leader in mutual funds. We are currently seeking a Portfolio Manager to take responsibility for Merrill Lynch International Convertible Fund. This new fund will be offered only to foreign investors.

Credentials should include:

- A general knowledge of U.S. and Japanese financial markets
- The ability to evaluate foreign stock markets and companies in order to allocate between markets and select specific issues within markets
- The ability to evaluate and manage currency exposure in order to maximize return in U.S dollars
- Trading expertise in international convertible markets is preferable

Salary, incentive compensation, and comprehensive benefits package are attractive. For entirely confidential briefing, please contact:

Mr. Edward Geiger
Merrill Lynch Asset Management, Inc.
Box 9011
Princeton, NJ 08543-9011
Telephone (609) 282-2081

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Merrill Lynch

MANAGER
MARKETING EUROPE (SOUTH)

A world leader in the field of C^3 I systems, airborne navigation systems and avionics seeks a Manager to join their European Marketing Office located in Brussels.

The successful candidate, directly responsible to the Director International, should have a background in the marketing of communication or avionic equipment/systems in the European area, and preference will be given to individuals with current marketing experience in Germany, France, Spain and Italy. He should be self-motivated, have the ability to seek out and to assess marketing opportunities in his area of operation, to negotiate agreements at all levels and to have a record of converting marketing opportunities to successful business conclusions.

Candidates wishing to be considered for this position should send their detailed resumé/curriculum vitae in strict confidence to:

Box D145, International Herald Tribune, 181, ave Charles-de-Gaulle, 92521 Neuilly Cedex, France.

General Manager
U.S.-Operation of a German Company

We are a German multinational company with well established market positions in organic chemicals and consumer goods.
We have aggressive plans to expand our presently small U.S. operation located on the East Coast and therefore seek a dynamic and creative field-oriented general manager who is especially capable of leading a sales organization.
The ideal candidate would have university degree and 10 years experience in sales and marketing including 3 to 5 years experience in the chemical industry.
Mobility is necessary.
German language would be a plus, but not a requirement.

If you are interested please send your resume to our consultant,
c/o Box D146, Int. Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

REGIONAL EXPORT MANAGER
BASED IN FRANCE

A large multinational company with well known ranges of branded consumer products is seeking to reinforce its export activity in America and Far East. A REGIONAL MANAGER is therefore sought to join the export division based in N.W. France. The principal responsibilities will be to motivate and control local agents and distributors, to identify new business opportunities and to assist in the creation and implementation of effective marketing strategies. Candidates should have several years experience of marketing fast-moving consumer goods in export markets. A good working knowledge of French is very desirable.

Please write to:
D-148 International Herald Tribune 181 Ave. Charles-de-Gaulle, 92521 Cedex, Neuilly, France.

PRESIDENT AND C.E.O.
COATINGS AND RESINS - EGYPT

Direct all operations with P & L responsibility. At least 10 years experience needed in coatings and resins or related chemicals. Middle East management experience highly desirable. Fluent English necessary. College graduate. Attractive compensation.

Rush resume and salary history to:
Consultants, P.O. Box 24417, Lyndhurst, Ohio 44124, U.S.A.

Kingdom of Sweden
U.S. $750,000,000
Floating Rate Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 5th June, 1986 to 5th December, 1986 the Notes will carry an Interest Rate of 7⅛ % per annum.

Interest payable on 5th December, 1986 will amount to U.S. $374.90 per U.S. $10,000 Note.

Morgan Guaranty Trust Company of New York
London
Agent Bank

OBLI-YEN
10A, Boulevard Royal - Luxembourg

NOTICE OF ISSUE OF FREE SHARES

The Board of Directors of Gestion Obli-Yen S.A. have decided to distribute the income received during the financial year to 31st March 1986 by assigning to shareholders one free share for every 18 shares held on the 29th of May 1986.

These new shares will be assigned, without charge, on the 19th june 1986 against delivery of the coupon no. 2 to the Banque Paribas (Luxembourg) S.A., 10a Boulevard Royal, Luxembourg.

The shareholders have the option of rounding up or down the number of new shares that will be assigned to them.

The instructions from shareholders must arrive at Banque Paribas (Luxembourg) S.A. on the 18th June 1986 at the latest. The balance resulting from the rounding up or down will be settled on the 26th June 1986 on the basis of the net asset value calculated on the 19th June 1986.

Free shares not allocated by the 19th June 1986 will be sold at the net asset value on this same date. The proceeds of sale will be delivered to the holders of no. 2 coupons presenting themselves after that date in proportion to their rights.

The proceeds of the sale not claimed within 5 years of the precited date will lapse and revert to the fund.

Luxembourg, 22nd May 1986.

GESTION OBLI-YEN S.A.

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 4 June 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marked symbols indicate frequency of quotations supplied: (d) – daily; (w) – weekly; (b) – bi-monthly; (r) – regularly; (l) – irregularly.

AL MAL MANAGEMENT
-(w) Al-Mal Trust, S.A. $ 227.94
BANK JULIUS BAER & CO. Ltd.
-(d) Bearbond SF 932.90
-(d) Conbar SF 1572.00
-(d) Eaulbar America $ 1351.00
-(d) Eaulbar Europe SF 1577.00
-(d) Eaulbar Pacific SF 1351.00
-(d) Grabar SF 1247.00
-(d) Stackbar SF 1897.00
BAU MULTICURRENCY
-(r) Multicurrency US$ $ 7069.43
-(r) Multicurrency Eca ECU 1846.00
-(r) Multicurrency Yen YEN 195,798.00
BNP INTERFUNDS
-(w) Interbond Fund $ 150.95*
-(w) Intercurrency US$ $ 16.54
-(w) Intercurrency DM DM 30.75
-(w) Intercurrency Sterling £ 10.58
-(w) Intersecurity Pacific Offsr $ 14.97
-(w) Intersecurity N. Amer. Offer $ 11.35
BANQUE INDOSUEZ
-(d) Alsan Growth Fund $ 15.88
-(w) Bond Selection SF 86.95
-(w) FIF-America $ 20.89
-(w) FIF-Europe $ 22.92
-(d) FIF-International $ 25.89
-(w) FIF-Pacific $ 28.10
-(d) Indosuez Multibonds A $ 124.29
-(d) Indosuez Multibonds B $ 217.11
-(d) Indosuez USD (M.M.F.) $ 1074.86
BRITANNIA POB 271, St. Helier, Jersey
-(w) Brit.Dollar Income $ 9.901*
-(w) Brit.Money Curr. $ 11.65
-(d) Brit. Intl.$ Money Portf $ 1.453*
-(d) Brit. Intl.£ Money Portf £ 1.464*
-(w) Brit. Am. Incr. & Fd Ltd. $ 15.87
-(w) Brit.Gold Fund $ 8.642
-(w) Brit.Money Currency £ 15.62
-(d) Brit. Japan Dlr Perf. Fd $ 1.077
-(w) Brit.Jersey Gilt Fund £ 0.3787
-(d) Brit. Okasan Glob.$ $ 11.05
-(d) Brit. World Less. Fund $ 1.465
-(d) Brit. World Techn. Fund $ 5.915
BROADGATE INTERNATIONAL FUND
-(d) S Money Market $ 10.29
-(d) Nat-S Money Market DM 20.88
-(w) Bond DM 1.61
-(w) Non-S Bond DM 27.71
-(w) Global Equity $ 12.91
-(w) Global Bond $ 9.86
-(w) Global Bond & Equity $ 9.88
CAPITAL INTERNATIONAL
-(w) Capital Int'l Fund $ 88.33
-(w) Capital Intle SA $ 20.33
CITICORP INVESTMENT BANK (Lux.)
POB 1323 Luxembourg Tel. 477.9571
-(d) Chinvest Eca ECU 1877.72
-(d) Chinvest Liquidity $ 10550.00
CREDIT SUISSE (ISSUE PRICES)
-(d) Actions Suisses SF 402.79
-(d)&(b) Bond Valor Swf SF 108.50
-(d) Bond Valor D-mark DM 91.78
-(d) Bond Valor US-DOLLAR $ 122.92
-(d) Bond Valor £ Sterling £ 100.36
-(d) Bond Valor Yen Yen 13,000.00
-(d) Convert Valor Swf SF 141.00
-(d) Convert Valor US-DOLLR $ 120.82
-(d) Composite SF 684.00
-(d) CS Fonds-Bonds SF 75.00
-(d) CS Fonds-Int'l SF 129.00
-(d) CS Gold Valor $ 94.32
-(d) CS Money Market Fund $ 1143.34
-(d) CS Money Market Fund DM 1084.72
-(d) CS Money Market Fund £ 1106.76
-(d) CS Money Market Fd Yen Yen 100,000.00
-(d) Eserplan-Valor SF 149.00
-(d)&(b) Ussec SF 685.00
-(d) Europa-Valor SF 104.25
-(d) Pacific-Valor SF 196.50
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 9269797)
-(w) Finsbury Grow Ltd. $ 148.50
-(m) Winchester Diversified $ 25.45*
-(m) Winchester Financial Ltd. $ 10.35
-(m) Winchester Properties $ 144.47
-(w) Winchester Holdings PF 112.97
-(m) Winchester Recovery Ltd. $ 12.84
-(w) Worldwide Securities $ 109.31
-(w) Worldwide Special $ 45.70
DYC INVESTMENT FUND
-(d) Canadian DM 35.93
-(d) Int'l Rendenfond DM 88.86
EBC TRUST CO. (JERSEY) LTD.
1 d Seale St., St. Heller 27334-36011
TRADED CURRENCY FUND
-(d) Inc.: Bid $ 11.63 Offer $11.999*
-(d) Cap.: Bid 12.89 Offer $ 14.234
INTERNATIONAL INCOME FUND
-(d) Short Term 'A' (Accum) $ 1.5402
-(d) Short Term 'A' (Distr) $ 1.0288
-(d) Short Term 'B' (Accum) $ 1.4847
-(d) Short Term 'B' (Distr) $ 1.0240
-(w) Long Term $ 27.26
EMMWT. LTD. INV. ADVISERS
1, Laurence Pountney Hill, EC4. 01-623-4488
-(w) F&C Atlantic $ 17.09
-(w) F&C European $ 15.74
-(w) F&C Oriental $ 42.28
FIDELITY POB 870, Hamilton Bermuda
-(m) Fid. Amer. Val.II Com. $ 64.42
-(m) Fid. Amer. Val.II Cum.Pref. $ 181.75
-(m) Fid. Amer. Val.III Com. $ 21.36
-(m) Fid. Amer. Val.III Cum Pref. $ 101.90
-(d) Fidelity Amer. Assets $ 99.80
-(d) Fidelity Australia Fund $ 12.84
-(d) Fidelity Discovery Fund $ 13.56
-(d) Fidelity Dir. Sys. Tr. $ 122.91
-(d) Fidelity Far East Fund $ 24.59
-(d) Fidelity Int'l. Fund $ 18.48
-(d) Fidelity Orient Fund $ 38.79
-(d) Fidelity Frontier Fund $ 18.92
-(d) Fidelity Pacific Fund $ 291.50
-(d) Fidelity Spcl. Growth Fd. $ 21.53
-(d) Fidelity World Fund $ 53.13
FORBES PO 887 GRAND CAYMAN
London Agent 01-629-3873
-(w) Dollar Income $ 7.77
-(w) Forbes High Inc. GIR Fd. £ 94.30*
-(w) Gold Income $ 8.16
-(w) Japan Appreciation $ 9.43
-(m) Strategic Trading $ 1.60
GEFINOR FUNDS
-(w) Scot Investment Fund $ 408.49
-(w) Scottish World Fund $ 166.57
-(w) State St. American $ 307.11
London: 01-491-0330, Geneva: 41-22/362530
GLOBAL ASSET MANAGEMENT CO.(B.
PB 119, St Peter Port, Guernsey, 0481-28715
-(w) FuturGAM S.A. $ 149.38
-(w) GAM Arbitrage Inc. $ 177.87
-(w) GAMerica Inc. $ 288.72
-(w) GAM Australia Inc. $ 783.79
-(w) GAM Bermuda Ltd. $ 87.37
-(w) GAMbil Fund Inc. $ 93.13
-(w) GAM Emrdlage $ 21.14
-(w) GAM Emrdlage Int. Inc. $ 19.59
-(w) GAM Europe SF 1,552.50
-(w) GAM France Inc. Fr 1025.53
-(w) GAM Global Fund $ 180.00
-(w) GAM Int. Inc. $ 84.51
-(w) GAM International Inc. $ 188.14
-(w) GAM Japan Inc. $ 201.89
-(w) GAM North America Inc. $ 149.40
-(w) GAM Pac. Basin Unit Trust Inc. $ 19.09 p
-(w) GAM N.Am. Unit Trust Accum. 730.95 p
-(w) GAM Pacific Inc. $ 208.43
-(w) GAM Pers. & Char. Worldw. 142.00 p
-(w) GAM Pers. & Char. U.K. Fd. 129.50 p
-(w) GAMrint $ 137.39
-(w) GAM Singapore/Malay Inc. $ 80.41
-(w) GAM Sterl. & Int'l Unit Trust £ 28.33
-(w) GAM Worldwide Inc. $ 257.24
-(w) GAM Tyche S.A. Class A $ 188.56
-(w) GAMtrends Inc. $ 114.96
-(w) GSAM Capitalia Inc. $ 122.84
-(w) GSAM Int. Inc. U.S Ord. $ 122.86
-(w) GSAM Interest Inc. U.S Spe. $ 115.63
-(w) GSAM Interest Inc. SF 1052.79
-(w) GSAM Interest Inc. Yen 16,406.00
-(w) GSAM Interest Inc. DM 1057.79
-(w) GSAM Interest Inc. £ 117.16
-(w) GSAM Interest Inc. Fr 981.16
G.T. MANAGEMENT (UK) Ltd.
-(d) Betty Pac. Fd Ltd. $ 14.83
-(r) G.T. Applied Science $ 14.37
-(d) G.T. Asean H.K. Gwth.Fd $ 11.49
-(d) G.T. Asia Fund $ 5.76
-(d) G.T. Australia Fund $ 28.65
-(d) G.T. Capital Fund $ 28.46
-(d) G.T. Euro. Small Cos. Fund $ 28.48
-(d) G.T. Dollar Fund $ 28.53
-(d) G.T. Bond Fund $ 14.54
-(d) G.T. Global Technology Fd $ 9.78
-(d) G.T. Hansha Pathfinder $ 59.31
-(d) G.T. Investment Fund $ 28.30
-(d) G.T. Japan Smlr Cos Fd $ 71.97
-(r) G.T. Technology Fund $ 29.29
-(d) G.T. South China Fund $ 15.75
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel (0534 73825)
Berne, P.O. Box 2622, Tel 4131 224451
-(d) Crossbow (Far East) SF 12.93
-(d) CSF (Selected) SF 29.19
-(d) European Equity Fund DM 14.73
-(d) Intnl. Bond Fund $ 11.26
-(d) Int'l Currency U.S. $ 27.85
-(d) ITP Fd (Technology) $ 17.98
-(d) O'Sees Fd (N. AMERICA) $ 36.42
LABUAN ISLEMANES, POB 78 GPO Hg Kg
-(w) Lloyds Int'l Dollar $ 14.84
-(w) Lloyds Int'l Europe SF 154.48
-(w) Lloyds Int'l Growth SF 199.28
-(w) Lloyds Int'l Income SF 314.59
-(w) Lloyds Int'l N. America $ 131.36
-(w) Lloyds Int'l Pacific SF 142.18
-(w) Lloyds Int'l. Smaller Cos $ 77.62
NIMARBEN
-(d) Class A $ 115.02
-(w) Class B - U.S. $ 142.03
-(w) Class C - Japan $ 143.68
OBLI(FLEX LIMITED
-(w) Multicurrency $ 15.44
-(w) Dollar Medium Term $ 14.03
-(w) Dollar Long Term $ 14.03
-(w) Japanese Yen $ 17.33
-(w) Pound Sterling £ 12.54
-(w) Deutsche Mark DM 11.54
-(w) Dollar Fiexlo FL 11.72
-(w) Swiss Franc SF 10.44
-(w) Swiss Multicurrency SF 10.95
-(w) European Currency ECU 11.36
-(w) French Franc SF 9.73
ORANGE NASSAU GROUP
PB 85578, The Hague (070) 469670
-(d) Bever Beleggingsfonds $ 31.80
PARIBAS GROUP
-(d) Cortesa International $ 115.39
-(d) ECUPAR ECU 1111.44
-(w) OBLI-DM DM 1232.34
-(w) OBLI-GESTION SF 90.16
-(w) OBLI-DOLLAR $ 1246.25
-(w) OBLI-YEN Y 104,977*
-(w) OBLI-GULDEN FL 1184.71
-(d) SAROLI-FUND $ 1.63
-(d) PARIEUROPE GROWTH $ 15.37
-(d) PARINTER-FUND $ 145.12
-(d) PARINTER BOND FUND $ 11.43
-(d) PAR US Treas. Bond 'CL B' $ 124.11
PUTNAM
-(d) Emerging Hlth Sc. Trust $ 14.35
-(w) Putnam Em. Inte. Sc. Tr $ 13.14
-(d) Putnam Int'l Fund $ 161.54
ROTAX CANADA, POB 344 GUERNSEY
-(w) RBC Canadian Fund Ltd $ 13.82
-(w) RBC Far East&Pacific Fd. $ 17.55
-(w) RBC Int'l Capital Fd $ 34.90
-(w) RBC Int'l Income Fd $ 12.46
-(d) RBC Mon.Currency Fd $ 10.00
-(w) RBC North Amer. Fd $ 13.09
SKANDIFOND INT'L FUND (46-8-2362090)
-(w) Inc.: Bid $ 8.51* Offer $ 9.01*
-(w) Acc.: Bid $ 8.64 Offer $ 9.23
SKANDIFOND CAPITAL LTD (46-8-2362090)
-(w) Accu. Bond Fd. Bid $ 85.63 Offer $5.89
SKANDIFOND LIMITED (46-8-2362090)
-(w) Income Bond Fd. Bid $5.63 Offer $5.89
SVENSKA INTERNATIONAL LTD.
27 Dorset Sq. Sq., London 01-377-8940
-(r) SHB Bond Fund $ 28.48
-(w) SHB Intl Growth Fund $ 28.57
SWISS BANK CORP. (ISSUE PRICES)
-(d) Americo-Valor SF 518.50*
-(d) D-Mark Bond Selection DM 128.28
-(d) Dollar Bond Selection $ 129.75
-(d) Florin Bond Selection FL 125.25
-(d) Ifca-Valor SF 91.00*
-(d) Japan Portfolio SFr 1231.00
-(d) Sterling Bond Selection £ 110.85
-(d) Swiss Foreign Bond Sel. SF 110.47
-(d) Swissvalor New Series SF 427.50
-(d) Universal Bond Select. SF 88.75
-(d) Universal Fund SF 138.71
-(d) Yen Bond Selection Y 10898.00
THORNTON MANAGEMENT LTD
-(d) The Establishment Trust 1.47
-(d) Thornton Australia Fd Ltd $ 14.25
-(d) Thornton HK & China $ 21.06
-(d) Thornton Japan Fund Ltd $ 17.43
-(d) Thornton Orient.Inc. Fd Ltd $ 13.26
-(d) Thornton Phill. Resrc. Fd. $ 10.23
-(d) Thornton Tiger Fund Ltd. $ 18.11
-(d) Thornton Pacific Tech. Fd Ltd. $ 9.71
UNION BANK OF SWITZERLAND
-(d) Bond-Invest SF 65.25
-(d) DM-Invest bonds DM 232.10
-(d) ESPAC Spanish sh. SPr 134.00
-(d) Finanz Plan Fr. sh. SFr 169.60
-(d) Fonsa Swiss Sh. SFr 200.50
-(d) Germac German Sh. SFr 195.00
-(d) ITAC Italian sh. SFr 361.50
-(d) SFr.-Invest bonds SFr 214.00
-(d) Sima (stock price) SFr 211.00
-(d) Yen-invest bonds SFr 982.50
UNION INVESTMENT Frankfurt
-(d) Unifonds DM 43.00
-(d) Unifonds DM 31.50
-(d) Unirak DM 67.05
-(d) UNIZINS DM 113.45

Other Funds

-(w) Actifonds Investments Fund $ 30.72
-(w) Actirotissance $ 180.28
-(w) Actifrance Int'l $ 1008.79
-(w) Actifrance Int'l $ 13.43
-(w) Asaulle International Fund $ 240.18
-(d) Arab Finance I.F $ 1025.52
-(d) Arbroath $ 97.76
-(d) Asia Pac. Growth Fd N.V. $ 2354.02
-(w) Banklease-Issue Pr. $ 24.50
-(w) Blue Saudi Bond Fund $ 154.77
-(w) Bondselect-Issue Pr. SF 132.05
-(m) Canada Gtd-Mortgage Fd. $ 10.18
-(d) Capital Preserv. Fd. Intl. $ 10.11
-(w) Chinvest Fon $ 12.88
-(w) Chinvest US $ Equities $ 195.53
-(m) Cleveland Offshore Fd. $ 2924.85
-(w) Columbia Securities FL 115.87
-(r) COMETE $ 1088.38
-(w) Convert. Fd. Int'l A Certs $ 14.49
-(w) Convert. Fd. Int'l B Certs $ 44.38
-(w) Comber Intl N.V. $ 196.87
-(w) Daiwa Japan Fund Y 12,559*
-(w) D.G.C. $ 138.60
-(d) Delfin-Bear bond Fd $ 1120.08
-(d) D-mark-Bear Bond Fd DM 1088.88
-(d) D. Witter Wld Wide Ivt Tst $ 16.63
-(w) Dreidor Invest.Fund N.V. $ 1474.45
-(d) Dreyfus America Fund $ 13.19
-(d) Dreyfus Fund Int'l $ 47.31
-(w) Dreyfus Intercontinent $ 48.81
-(d) Eurose Obligations Ecu 88.48
-(d) Esprit Sicav $ 1870.04
-(w) First Eagle Fund $ 21,398.84
-(r) Fifty Shars Ltd $ 1167.25
-(w) Fixed Income Trst $ 94.98
-(w) Fonsec Issue Pr. SFr 220.75
-(w) Forexdynd $ 7.04
-(w) Formula Selection Fd. SF 44.51
-(w) Fondiffalia $ 44.03
-(w) Framat-Trust Interins DM 44.09
-(w) Genroe V INV. BOND F. $ 13.43
-(d) Governm. Sec. Fund $ 98.72
-(w) Housemann Hldgs. N.V. $ 196.43
-(w) Hollo Pipnds $ 133.78
-(w) Horizon Fund $ 1498.84
-(m) IBEX Holdings Ltd. $ 144.87
-(r) ILA-IGS (30/04) $ 9.58
-(r) ILA-IGS (30/04) $ 10.65
-(w) Incumercial N.V. $ 18.97
-(w) Intersec Int'l Fund $ 20.00
-(d) Intermarket Fund $ 228.80
-(d) Intermkig Mut. Fd. Cl.'B' $ 891.38
-(d) Intermkig Mut. Fd. Cl.'C' $ 3,970.82
-(r) Int'l Securities und $ 1.02
-(w) Investo DWS DM 43.83
-(w) Invest Amsterdam $ 14.71
-(w) Investa Int'l Fund SA $ 97.97
-(w) Japan Selection Fund $ 177.91
-(w) Japan Pacific Fund $ 174.53
-(w) Jaffer Pms. Int'l. Ltd $ 11,689.41
-(w) Kleinwort Benson Int'l Fd $ 97.65
-(w) Kleinwort Bens. Jap. Fd $ 139.54
-(w) Korea Growth Trust KW 13,551.61
-(w) Lacom Fund $ 18.19
-(w) Leverose Cap Hold $ 1165.65
-(w) Linotrust $ 245.49
-(w) Lionfund $ 1458.84
-(w) Meyerheim Sel. Fd $ 24.55
-(w) Meteor's Y 124,481.00
-(w) MAA1 $ 13.91
-(w) Mikio Growth Package Fd $ 11,672.14
-(w) Nippon Fund $ 31.97
-(w) NM Income & Growth Fund $ 11.14
-(w) NOSTEC Portfolio $ 2436.53
-(w) Nowal Investment Fund $ 124.24
-(w) NSP F.I.T $ 219.79
-(r) OPPORTUNITIES FUND $
-(w) Pacific Horizon Invt. Fd $ 1748.47
-(d) PANCURIA Inc. $ 35.92
-(w) Pernal Spec. Ops. $
-(w) Permal Value N.V. $ 1462.84
-(w) Pictet $ 1,021.00
-(w) Pri-Tech $ 1874.54
-(w) Quantum Fund N.V. $ 5685.87
-(w) Renta Fund LF 1044.68
-(w) Renfinvest $ 1,126.00
-(w) Reserve Insured Deposits $ 1160.83
-(w) Rudolf Wolff Fut Fd Ltd $ 2282.98
-(w) Samurai Portfolio SF 168.37
-(w) SCI/Tech. SA Luxembourg $ 1.00
-(w) Seven Arrows Fund N.V. $ 1825.87
-(w) Strategy Investment Fund $ 24.54
-(w) Symtek Ltd. (Class A)* $ 13.51
-(w) Target Fund $ 125.08
-(w) Techno Growth Fund SF 88.14
-(w) Tokyo Pac. Hold. (Sea) $ 332.38
-(w) Tokyo Pac. Hold. N.V. $ 180.17
-(w) Transpacific Fund $ 151.53
-(w) Trans Europe Fund FI 58.88
-(w) Turquoise Fund $ 576.48
-(w) Tweedy, Browne N.V. Class A $ 2,048.08
-(w) Tweedy, Browne N.V. Class B $ 1497.57
-(w) Tweedy, Browne (U.K.) N.V. $ 1165.27
-(w) Unicorn Fund DM 71.28
-(w) UNI Bond Fund $ 1276.68
-(w) UNI Capital Fund $ 1284.34
-(w) United Bonds Dlr 1695.00
-(w) US Federal Securities $ 18.78
-(w) Vanderbilt Assets $ 23.03
-(w) Wilderland Capital $ 13.57
-(w) World Fund S.A. $ 17.57

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid-offered; P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated to - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December 31 Redemption Price; Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 5% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

Wednesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

N

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close	Quot.	Chge
14¼	3½	NRM	.36	16.4		49	5¼	4¾	4¾	—	⅛
26½	10¾	NRM pf	2.68	19.1		24	13¾	13¾	13¾		
13¾	4¼	Nastek	1.48f	14.8	14	58	10	9¾	10		
23¾	13¾	NtPetro	.10	.5		198	19	18½	18¾	—	⅛
7¾	2¾	NtMkt			45	10	3¼	3¼	3¼		
10	10	NPinR s	.24	6.0	14	236	4¾	4¾	4¾		
18¾	18¾	NPrec	1.25e	4.2	15	30	30	29¾	29¾	—	⅛
5	5	NWtSP s				15	1¾	1¾	1¾		
37¾	37¾	NYTimes	.48	.9	20	455	53¾	54¼	54¼	—	⅛
5¾	3¾	Newbrk	.36f	9.0	11	38	4¼	4¼	4¼	—	⅛
15¾	7¾	Newcor	.36	3.0		11	12¼	12¼	12¼	—	⅛
5¾	2¾	NewsLs			149	384	19	17¾	17¾	—	⅛
2¾	1¾	NwpBI	1.50	7.1	18	7	21¼	21¼	21¼		
7¾	4¾	Nichin			27	57	10¾	10¾	10¾	+	⅛
3¾	1¾	Nichols			13	224	12¼	12¼	12¼		
1¾	1¾	NiaMod				28	8¾	8¾	8¾		
11¾	7½	NCGG s				22	8¾	8¾	8¾	—	⅛
1¾	1¾	NamSpe				114	¾	¾	¾	—	⅛
5¾	2¾	Nutrix			71	79	4¼	3¾	4¼		
6¾	4¾	NuclDt			7	20	4¾	4¾	4¾	—	⅛
10¾	5¾	Numac				272	6¼	6¼	6¼		

O

25¾	18¾	OEA			17	28	24¾	24¾	24¾		
15¾	15¾	Okland s	.08	.4	16	79	20¼	19¾	19¾		
10¾	6¾	OdetA n				7	7	7	7	+	⅛
8¾	5¾	OhArt	.24	3.7	38	2	6½	6½	6½	+	⅛
18¾	13¾	OhioInd	.20	1.3	28	74	15¾	15¾	15¾	+	⅛
19¾	13¼	Oiglen s	.20	1.3	28	15	15¾	15¾	15¾		
3¾	3¼	OOKlep				5	4	4	4		
1¾	1	Opmzh			238	154	1¼	1¼	1¼		
4¾	2¾	OrbitH A	.15	1.6	15	1	9¾	9¾	9¾	+	⅛
13¾	4¾	OrbitH B	.20	2.1	19	15	9¾	9¾	9¾	+	⅛
4¾	2¾	Ormond s					3¾	3¾	3¾		
25¾	14¾	OSulvn s	.20	1.2	13	52	16¾	16¼	16¼		
23¾	10¼	OxfrdF	.80	12	17	108	20¾	20¼	20¼	+	⅛
11¾	9¼	OzarkH	.30	1.2		61	17¼	17	17¾	+	⅛

P

8	4¾	PLM A	.16	2.0	5	177	8¼	7¾	8¼	+	⅛
8	5¾	PLM B	.06	1.1	5	156	7¾	7¾	7¾	+	⅛
14¾	12¾	PSE n				1	13¾	13¾	13¾	—	⅛
17¾	12¾	PGEnfA	1.50	9.2		18	14¾	14¾	14¾		
15½	10¾	PGEnfD	1.52	9.3		17	13¾	13¼	13¾	—	⅛
15½	10¾	PGEnfE	1.52	9.3		7	13¾	13¾	13¾	+	⅛
15¾	10¼	PGEnfF	1.52	9.3		116	13¾	13¾	13¾	+	⅛
24	23¾	PGEnfH	4.34	13.2		22	33	33	33		
30	28	PGEnfJ	4.86	13.2		63	36¾	36¾	36¾		
31¼	27	PGEnfY	3.30	10.8		27	30¾	29¾	30¼	—	⅛
29¾	21¾	PGEnfW	2.52	9.1		14	27¾	27¾	27¾	—	⅛
28¾	19¾	PGEnfV	2.32	9.1		14	25¾	25¾	25¾		
28¾	21½	PGEnfT	3.54	9.5		15	26¾	26¾	26¾		
28¾	20¾	PGEnfS	2.62	9.7		63	27¾	26¾	27¼	+	⅛
24¾	19¾	PGEnfR	2.12	9.2		43	23¼	23¼	23¼		
25¾	20¾	PGEnfQ	2.27	9.3		14	24¾	24¾	24¾		
25½	17½	PGEnfP	2.05	9.3		38	22¼	22¼	22¼	+	⅛
25	17¾	PGEnfO	2.00	9.1		1082	22¾	21¾	22	—	⅛
23¾	17¾	PGEnfM	1.96	9.2		4	21¼	21¼	21¼	—	⅛
25¾	17¾	PGEnfL	2.25	9.6		6	23½	23½	23½		
25¾	17¾	PGEnfK	2.04	9.4		11	21¾	21¾	21¾		
25¾	19¾	PGEnfJ	2.32	9.7		4	24	24	24	—	⅛
13¾	9¾	PGEnfI	1.08	9.4		2	11¾	11¾	11¾	+	⅛
27¾	27¼	PoCLt pf	4.38	8.7		2500z	50	50	50		
51¾	38¾	PoCLt pf	4.50	10.0		400z	46¼	45	45		
28¾	28¾	PoCLt pf	4.25	9.7		1182	51¾	49	49	—	½
59	43¼	PoCif pf	8.00	8.9		1182	56¾	56¾	56¾	+	¼
10¾	6¾	PWRGI n				1	10¼	10¼	10¼	+	⅛
46¾	21½	PalCa s	.36	.9	31	543	46¾	39¾	45¾	+	¼
13¾	5¾	Pantcst				87	12¾	11¾	11¾	+	⅛
9¾	4¾	PetTch				53	5¾	4¾	4¾		
15¾	8½	PaulPT			7	13	12¾	12¾	12¾	—	⅛
12	8	PEC Isr				208z	12	12	12		
11¾	8¾	PeerTu	.48b	4.0	15	43	10¾	10	10	—	½
42¾	21½	PenTr	1.28	2.9	13	106	47¾	46¾	46¾		
		PE Co				53	3¾	3¾	3¾	—	⅛
30¼	23	PenRE	2.10	7.5	13	7	28¼	28	28¼		
12¼	6¾	Penrll				349	57	7¼	7¾	—	⅛
3¾	1¾	Pentron				24	12	2¼	2¼		
2¾	2¾	PerinIC	.80	2.6		2	30¾	30¾	30¾	—	⅛
16¾	10¾	PerInII	.48	3.5		74	13¾	13¾	13¾		
14¼	11¾	PerInl pf	1.10	8.6		2	12¾	12¾	12¾	—	⅛
3¾	½	PetLw				114	¾	¾	¾		
1¾	¾	PetLw wt				78	¾	¾	¾		
7¾	1¾	PetL pfA				2	2	1¾	1¾		
10¾	2¼	PetLs pf				22	2¾	2¾	2¾	—	⅛
5½	1¾	PhilLD	.25e	5.0	2	2980	5¼	4¾	5		
4¾	1¾	PicoPd				14	2¾	2¾	2¾		
24	4	Pier 1 wt			15	107	25	24	24¾	+	¼
4¾	2¾	PionSv				278	4¼	3¾	4¼		
6¾	5¼	PIHWVo	.52	8.0	12	22	6½	6½	6½		
19¾	10½	PIDsm				32	19¾	19	19¾	+	⅛
105	68½	PiHwy	1.80	1.7	16	72	104¾	103½	104¾	+1	
9¾	5¾	Pizaln	.88	8.8	5	44	10¾	9¾	10	—	⅛
17¾	13¾	PlcrD s	.20			11	15¾	15¾	15¾	—	⅛
11¾	9½	PlvGm s	.12	.6	28	187	14¾	14½	14¾		
4¾	2¼	PlyR B				11	4	3¾	4		
3¾	2¾	PopeEv				188	3¼	3¼	3¼	—	⅛
23¾	9¾	PostPr			14	63	19¾	19¾	19¾		
14¾	12¾	PostPr	.20	1.2	14	131	16¾	15¾	16¾	+	⅛
29½	12¾	ProfitL s	.72	2.5	13	4	28¾	28½	28½	+	⅛
8¾	6¼	ProfRd				15	8½	8½	8½		
19¾	10¾	ProstA A	1.12	8.9	8	2x	12¾	12¾	12¾	—	⅛
8¾	5¼	Prestd pf				24	5¾	5¼	5¾		
13¾	5¾	PrlcCm				262	11¾	11¾	11¾	+	⅛
11¾	6¾	ProfCre			37	18	7¾	7¾	7¾	+	⅛
22¾	18¾	ProsCT	1.41e	7.5	13	26	22	21¾	21¾	—	⅛
25¾	19¾	PrvEn s	1.44	5.8	11	4	25¼	25¼	25¼		
25¾	17¾	Pstpl C	2.34	9.3		22	25¼	25¼	25¼	+	⅛
25	21¼	Pstpl E	4.57	13.2		3	35¼	35¼	35¼		
6¾	3	PumaG				5	5¾	5¾	5¾		

Q

14¼	7½	Quab g s	.14	2.1		98	13½	13¾	13¾		

R

9¾	5½	RAI	.32t	4.1	19	13	8¼	8	8	—	⅛
5¾	3¾	RMS El				11	4¼	4¼	4¼	—	⅛
22¾	15	Rdrsbg	.72	3.8	25	50	19¾	18¾	19¾	—	⅛
13¾	10	Renvan	.42	3.5	14	3	12¾	12¾	12¾		
20¾	16	RltSe n	1.40e	7.6		17	18¾	18¾	18¾	—	⅛
3¾	1¼	RltSe wt				17	1¾	1¾	1¾	—	⅛
4½	2¾	Redlaw				204	3½	3½	3½		
17¾	11¾	ReadB	.60	3.1	17	63	19¾	19¼	19¼	—	⅛
77	36	ReadA				351	73	71	71		⅛
139	41½	ReadB				250z	139	138	138		⅛
10½	4½	RltAuS				12	10¾	10¾	10¾		
5½	3¾	RltAsA	.15e	1.8	9	46	8½	8¾	8½	+	⅛

S

7¾	3¼	SFM				1	3¾	3¾	3¾		
3¾	3¾	SFM pfA				17	3¾	3¾	3¾		
40¾	29¾	SJW s	1.57	4.2	12	23	37½	37¼	37¾	—	⅛
5	2¾	SMD				20	4½	4¼	4¼	—	⅛
9¾	6½	Sase				11	8¾	8¾	8¾		
12½	9	StJoeG n				58	9¾	9½	9¾	+	⅛
15¾	12¾	Salmsh n	2.60	18.6		207	14¾	14	14	—	⅛
3¾	3¾	SCarGo				10	3¾	3¾	3¾	+	⅛
10¾	8	SDoo pf	.38	8.8		10	10	10	10		
28¾	21¾	SDoo pf	2.20	9.0		12	22¾	22¾	22¾	+	⅛
33¾	22¾	SDoo pf	4.46	12.7		22	36¾	36¾	36¾	—	⅛
28½	20½	SDoo pf	2.88	9.1		4	29½	29¾	29½	—	⅛
14¾	10¾	Sandpf s	.48	2.5	10	1	19¾	19¾	19¾		
16½	7	Sandy n				6	11	11	11		
9	2¾	Sanmk s				163	8¾	7¾	8	—	⅛
9¾	5	Sound B	.15	1.5	19	21	10	9¾	9¾	—	⅛
9¾	5	Sound A	.28	2.1	17	116	13¾	13¾	13¾		
14¾	9¾	Sound pf	1.20	9.1		49	13¾	13¼	13¾		
4¾	3½	SouthO n	.48	8.2		23	6¾	5¾	6¾		
40¾	11¾	Sbarro				36	37	36¾	37	—	⅛
4¼	1¾	Scantr n				3	1¾	1¾	1¾	—	⅛
10¾	10	Schaid s				14	12	12	12		
5¾	1¾	SchadP				7	4¾	4¾	4¾	—	⅛
7½	4¾	SciMan	.10	1.9		13	5¾	5¾	5¾	—	⅛
20¾	11½	SciLap				7	16¾	16¾	16¾	+	⅛
33¾	22¾	Scope	.60	1.5	10	12	23¼	23	23		
153	54½	SdaCo	.50	.4	12	24	143	139½	139½	+1½	
7¾	4¾	Seaport					7¾	7¾	7¾		
4¾	2¾	SeaCoa	.20	2.1	6	10	7¾	7¾	7¾	+	⅛
39¾	11¾	SelaPro	1.30e	8.7		76	15	14¾	15		
7¾	3½	Selas				146	5¾	5¾	5¾	+	⅛
14¾	5	SelfcAs			13	11	11¾	11¾	11¾	+	⅛
5¾	2¾	SemGrp				114	4¾	4¾	4¾	+	⅛
17½	9¾	Srvtech	.28	1.7	24	3	16½	16½	16½		
22¾	8¼	Servo			16	12	14¾	14¾	14¾	+	⅛
15¼	8¼	Seton s	.09	.7	15	19	13¾	13¾	13¾	—	⅛
18¾	10¾	Shapel s	.56	5.4	12	13	13	12¾	13		
	½	Sharon				1	½	½	½		
35¾	7¾	Shemel s	.14t			410	30¾	30¾	30¾		
15½	4¼	SierHSn			52	15	8¼	8	8¼	+	⅛
13¾	6¼	SierSp s				188	8¾	8¾	8¾		
13¾	6¾	Sierwn			244	34	8¾	8¾	8¾		
7¾	4	Silfco			22	4	7¾	7¾	7¾		
18¾	8¾	SilksA	.20	1.1	18	46	17¾	17¾	17¾	—	⅛
7¾	3¾	Silvrcst				89	6¾	6¾	6¾		
22¾	12½	SmithA			6	14	20¾	20¾	20¾		
35¾	24¾	SmithB	.80	2.5		18	32¾	32¾	32¾		
28¾	24¼	SmithPf	2.12	8.5		4	25¼	25¼	25¼		
5¾	1½	SterlEl			14	1	2¾	2¾	2¾		
27	6¾	SterlSH	.08p	.3	29	398	19	18¾	18¾	—	⅛
21¾	16¾	SterlOpt	1.28	20.5		1	16¾	16¾	16¾	+	⅛
18¾	6¾	SunCity			84	1	18¼	18¼	18¼		
5½	1¾	SunSEL				60	1½	1¾	1¾		
15½	10¾	SunUnn n				40	11½	10¾	10¾	—	⅛
27¾	14¾	SupMkt	.36	1.0	21	72	27¾	27¼	27¾	+	⅛
3¾	3¾	SurCre			22	8	3¾	3¾	3¾		
16¾	9¾	Suslnd s	.20b	1.5	11	23	16¾	16¾	16¾		
23¾	14¾	Superdr	.48	1.5	13	14	22¾	22¾	22¾		
5¾	3¾	SwtHrt				17	4¾	4¾	4¾	—	⅛
2¾	1¼	SwtEng			11	61	2¼	2¼	2¼		
6¾	4¾	Swift pf				39	6¾	6¾	6¾		
6	3¼	Synalov				453	6¼	5¾	6	+	⅛

T

7¾	4¾	T Ber	.33t	5.6	42	5	5¾	5¾	5¾		
15¾	11¾	TIE				4304	13¾	13¾	13¾	+	⅛
11¾	5¾	TII			28	22	10¾	10	10	—	⅛
15¼	10¾	TabPr s	.20	1.4	15	12	14	14	14	+	⅛
12¾	6¼	TandBr			22	34	10¾	10	10¾		
13½	7¾	Tasty	.60	2.1	19	3	28¾	28¾	28¾	—	⅛
4¼	1¾	Tchbrd				8	2¾	2¾	2¾	—	⅛
3¾	1¾	TchAm				88	2¾	2¾	2¾	—	⅛
19¾	9¾	TchSym			16	143	16¼	16	16¼	+	⅛
32¾	18½	TchOpt s			18	17	30¾	30¾	30¾	—	⅛
21¾	12¾	TechTr			18	2	18	18	18		
18¾	12¾	TechSr1	.38	2.1	11	10	18	17¾	18	+	⅛
44½	17½	TelNrS			275	90	41½	40	40½	+	⅛
1¾	¾	Telecon				75	1¾	1¾	1¾	+	⅛
17¼	12¾	Telecrd	.56	1.1	21	175	13¾	13¾	13¾	—	⅛
19½	10	TelOtic	.80b	2.1	23	142	19¾	18¾	19	+	⅛
11½	6¼	Telrad				86	9	8¾	9	+	⅛
5¾	2¾	Telesph				169	3	2¾	3		
15	5¾	Tempo	.14	1.2	45	30	12	11¾	11¾	—	⅛
4	4	TenthT			14	17	4¼	4¼	4¼		
26¾	17	TexCd g	1.20			477	28	19½	20		
46¾	12¾	TexAir			8	4454	38¾	37½	38½		
5¾	2¾	TexAE	.24t	8.3		1	2¾	2¾	2¾	—	⅛
20¾	14¾	TexAE pf	2.57	21.4		1	12¾	12¾	12¾	—	⅛
4¾	3¾	ThrD B	.06	1.4	16	19	4¼	4¼	4¼	+	⅛
4¾	3¾	ThrD A	.10	2.4	15	13	4¼	4¼	4¼	+	⅛
13¾	6	Tolutt s			46	52	7¾	7¾	7¾		
6¾	3¾	TolEd pf	4.25	10.8		5	4¾	4¾	4¾		
79½	55	TolEd pf	8.32	10.4		100z	78½	78½	78½		
75½	55	TolEd pf	7.76	11.2		70z	69	69	69	—	⅛
25¾	11¾	TolPt s	.36			2221	20¾	19¾	19¾	—	⅛
6¾	3¾	TolPt wt				378	4¾	4¾	4¾		
26¾	24½	TolPt pf	2.88	9.2		12	32	31¼	31¾		
16¾	10¾	TmsLx	.08e	.3	15	496	13¾	13¾	13½	+	⅛
21¾	13	TransTec	.44	2.2	12	51	19	18½	18¾		
18½	14¾	Trancoo	.44	2.5	17	1	17¾	17¾	17¾		
27¾	14¾	Transco				140	23¾	23¾	23¾	—	⅛
17½	9¾	TriaCo	1.24f	8.1	13	2	15¾	15¾	15¾		
6¾	3¾	TriHme				1	4¾	4¾	4¾		
11½	5¾	Trident			13	31	9¾	9¾	9¾	—	⅛
3¾	1¾	TubMex				41	1¾	1¾	1¾	+	⅛
28¾	18¾	Tormin n			53	247	27	26¾	26¾	—	⅛
8¾	8¾	TrstBd pf				220	8½	8½	8½	+	⅛
16	7¾	TriEa n	.55e	6.8		82	8¼	8	8¼	+	⅛

U

3¾	2	USR Ind				53	3	3	3	+	⅛
34¾	19¾	Ultmte			21	694	32¼	31	31¾	—	⅛
19¾	10¾	Unicore	.48	4.6	10	45	15½	15¾	15¾	—	⅛
18¾	12¾	Unico pf	.75	4.1		264	18¾	18¾	18¾	—	⅛
17¾	7¾	Unimar	2.21e	27.4		198	8¼	8	8	—	⅛
21¾	16¾	UAirPd	2.40b	2.5	14	62	21¾	21	21¾		
28	17¾	UnCasP	.90	2.3	6	253	21¾	21	21¾		
5	1¼	UFoodA	.30b	5.5	3	434	4	3¾	3¾		
4	1¼	UFoodB	.30b	5.5	3	451	4	3¾	3¾		
15¾	10	UnMed			14	38	14	13¾	14	+	⅛
23¾	13¾	USAG wt				25	19¼	18¾	19¼	+	⅛

V

9¾	7¾	VHT n	.22e	2.7		47	8¼	8	8¼		
1¼	¼	VHT wt				19	¾	¾	¾		
10½	8¼	VST	1.26e	14.6		48	8¾	8¾	8¾	—	⅛
22¼	17¾	ValyRs	1.52	6.8	12	5	22¾	22¾	22¾	+	⅛
45¾	23½	Valsor s	.32	1.2	19	28	44½	44	44	+	⅛
14¾	11¼	VangTc				48	13¾	13¾	13¾	+	⅛
16¾	6¾	Varit			25	7	14¾	14¼	14¾	+	⅛
21¾	15¾	VlAmC	.40	2.1	32	18	19¼	18¾	19	—	⅛
5¼	3¾	VlRsh				158	5¾	5¾	5¾	+	⅛
11¼	8¾	Vemit	.20	2.1	11	967	9¾	9¾	9¾		
3¾	2¾	Vertrie			2	30	3¾	3¾	3¾	+	⅛
7¾	3¾	Vicon			27	9	5¾	5¾	5¾	—	⅛
7¾	3¾	Vicon				17	6¾	6½	6¾	—	⅛
5½	1¾	Vintge				65	3¾	3¾	3¾		
19¼	7¾	VisualG	.30b	2.2	14	21	9¾	9¾	9¾		
7¾	4¾	Vitatec	.40	4.9	13	10	10	10	10		
28¾	17½	VulcCp	.80a	3.2	20	6	25	25	25		
13½	6	Vyqust			14	38	11¼	11¼	11¼		

W

7¾	3¾	WTC			513	17	5¾	5	5¾		
7¾	2½	WlkEn n	.64f			3	3¼	3¼	3¼		
22¾	15	Wang6	.14	.9		2431	17¾	16¾	17¾	—	⅛
21	12¾	WangC	.11	.4			17¾	17¾	17¾	+	⅛
25½	4¾	Wahit s			10	42	21¾	21	21¾	+	⅛
174	101½	WshPst	1.12	.4	22	25	174	172	172		
25	16¾	WRIT s	1.28	5.9	14	104	21¾	21¾	21¾	+	⅛
18A	6	Watsc A	.28	2.1	17	20	9½	9½	9½	+	⅛
11¾	7½	Watsc B	.16	1.5	19	4	10½	10¼	10½	+	⅛
21¾	4¾	Webfrd				129	19¾	19¾	19¾	+	⅛
11¾	6½	Webinw n	.37e	4.5		9	8¼	8¼	8¼		
1¼	¾	Webin wt				28	¾	¾	¾	+	⅛
13¾	8	Webcor				42	9¾	9¾	9¾		
14½	7¾	Wedgsh	1.44	17.8	9	46	13½	13¼	13½	—	⅛
18¼	4¾	Weigh	.16	2.1	13	24	7¾	7¾	7¾	+	⅛
13¾	7¾	Weldfrm			15	34	8¾	8¾	8¾	+	⅛
18½	4¾	Wellcs s			9	18	16	16	16		
3¾	¾	WellAm				4	1¾	1¾	1¾		
4¾	2½	WelGrd				27	3¾	3¾	3¾	+	⅛
21¾	9¾	Wesgrp				18	14¾	14¾	14¾	—	⅛
10¾	5¾	WstBrC			8	49	8½	8½	8½		
14¾	9½	Wstbrs	.20		15	5	13¾	13¼	13¾	—	⅛
15¾	6¼	WDigit	.14	2.1	13	54	7¾	7¾	7¾	+	⅛
15¾	6¼	Wtrflt s			14	25	7	7	7		
15¾	15½	WIRET	1.62	7.5	24	51	21¾	21¾	21¾		
22½	12	WhrEns			24	51	20¾	20¼	20¼	—	⅛
3¼	1¼	Wichita				1	1½	1½	1½	—	⅛
7	5	Wickes			58	988	6¾	6¾	6¾		
4¼	1¾	Wilcox wt				1	2¾	2¾	2¾		
28¾	23	Wick pfA	2.50	7.8		10	35¾	35¾	35¾	—	⅛
6¾	3¼	WinEB				282	4	3¾	4		
7½	3	WinEA				36	3¾	3½	3¾	+	⅛
20¼	15¾	Winfds	2.24	12.5	6	48	17¾	17¾	17¾		
54½	42	WisP pf	4.50	8.6

BUSINESS PEOPLE

Lutz Moves From Ford to Chrysler

Compiled by Our Staff From Dispatches

DETROIT — Robert A. Lutz, who has headed Ford Motor Co.'s truck division since March, has resigned and will become an executive vice president of Chrysler Corp.

Chrysler's chairman, Lee A. Iacocca, also announced on Tuesday that Mr. Lutz would be nominated to a seat on Chrysler's board of directors.

Mr. Lutz will be responsible for international, truck and component-business operations within Chrysler Motors, Chrysler's vehicle manufacturing division.

Mr. Lutz, 54, served as chairman of Ford's European operations before he was transferred to head the company's truck-making operations. He was considered one of the most promising executives at Ford, the No. 2 automaker behind General Motors Corp.

Maytag Co. said the president of Magic Chef Inc., John Green Jr., would resign because the merger of the two companies would eliminate his job.

Stouffer Foods Corp., a subsidiary of Nestlé SA, said Robert L. McGuigan has decided to retire as president and chief executive officer effective Dec. 31. The company said David H. Jennings, vice president of sales, would succeed him.

International Royalty & Oil Co. said Richard C. Cowan had resigned as chairman and director to become chairman and chief executive officer of the Genesis financial group.

Crown Central Petroleum Corp. said James F. Smith had been named president and chief operating officer, replacing W.M. Ginder, who was elected vice chairman of the board. Mr. Smith previously was the vice president for refining, marketing and crude supply at Tesoro Petroleum Corp.

Pacific Lighting Corp. said James Ukropina had been appointed president, succeeding Joseph Rensch, who will serve as vice chairman. Mr. Ukropina previously was the company's executive vice president and general counsel.

(AP, Reuters)

Morton Thiokol Shifts Officials

Reuters

CHICAGO — Morton Thiokol Inc., maker of the U.S. space shuttle's solid-fuel rocket boosters, announced Tuesday that it was restructuring its space division.

Carer G. Kennedy, vice president for space services at Kennedy Space Center in Florida, will become the vice president of the booster program.

He replaces Joseph Kilminster, who will be assigned to other duties. Calvin Wiggins, vice president of the space division, also is to be reassigned.

WATER: *In U.S., Health Fears Lend a New Sparkle to Bottled-Water Market*

(Continued from first finance page)

substances, including radioactivity.

The beverage market includes the homely seltzers and club sodas, as well as sparkling mineral waters such as Perrier.

Mineral water is defined as bottled water containing at least 500 parts per million dissolved solids and originating entirely underground. It is barely treated at all, on the theory that it comes from a protected source.

Naturally sparkling waters such as Perrier contain their own carbon dioxide; others have added carbonation.

Traditionally, the two markets have very different distribution and marketing patterns in the United States, but the distinctions are weakening as a wave of acquisitions spreads through the business. Still-water companies have begun offering sparkling waters, and mineral water companies have acquired still-water bottlers.

Some analysts say the bottled water business is undergoing a consolidation identical to that seen earlier in the beer and soft drink industries.

Next, they predict, big players like Coca-Cola that already have the necessary distribution channels and purification equipment will dive into the bottled-water business. And when that happens, these analysts say, the shape of the industry will be changed forever.

The process has already begun. Coca-Cola of Northern California is distributing Bartlett Springs, a California sparkling mineral water marketed through a joint venture between Vittel of France and Nestlé of Switzerland.

In February, Anheuser-Busch Inc. purchased Sante Mineral Water Co. of Calistoga, California; last November it acquired Saratoga Springs Co. of Saratoga Springs, New York.

Some analysts say that increased consumption of sparkling water has come at the expense of some alcoholic beverages. Michael J. Carpenter, director of Busch's beverage group, denied that, saying that the impact on beer sales, for example, had been minimal and was not a factor in the company's entry into the water business.

"We see it as a growth opportunity," he said. "We will continue to look for other regional waters that could give us a presence."

Similar regional efforts are under way by other big companies.

To date, the only water distributed nationally is Perrier, which first came to the United States in 1907 and gained prominence as a chic alternative to soft drinks or alcohol in the late 1970s.

It is cheaper to ship Perrier, which comes from one source in the south of France, than it is to move domestic waters across the United States by truck or rail, said Ronald V. Davis, president of the Perrier Group, the U.S. subsidiary of Source Perrier of France. Beverage Marketing Corp. estimates the U.S. unit has annual sales of $154.5 million.

Perrier has also grown by buying other companies, including Oasis, a still-water company; Poland Spring, a still-mineral-water company, and Calistoga, California's most popular sparkling mineral water.

The most aggressive acquisition player, however, has been Sierra Spring Water Co., based in Sacramento, California, which was founded in 1950 and went public two years ago. Since 1982 Sierra has acquired 25 companies, making it the fourth-largest bottled-water concern in the United States, with revenues of $34.6 million in 1985, up from $5 million in 1979.

Sierra, which sells only still water, markets its products in 14 states and Canada under such brand names as Sierra Spring, Alpine, Feather River Canyon, Applegate Spring and Walker Spring, as well as private labels for supermarkets.

Sierra's acquisitions have primarily been small operations with average annual revenues below $500,000, but Thomas Naygrow, Sierra's president, is aiming higher. He said he is interested in acquiring the water division of Beatrice Cos., rumored to be for sale following the leveraged buyout last month by Kohlberg, Kravis, Roberts & Co.

With annual sales estimated as high as $200 million, the Beatrice water division is the largest in the industry.

Sierra's acquisitions are spread all over the United States, primarily in Sun Belt states. "The water quality problem is going to be a long-term problem and the companies who will benefit most will be those that cover the widest geographic base," Mr. Naygrow said.

Most water companies, including Beatrice and the U.S. industry's No. 2, the San Francisco-based McKesson Corp., focus their sales in a relatively narrow area. Trucking water any great distance is unprofitable.

Moreover, the purity claimed for bottled water is in large part dependent on it being bottled where it originates.

"Bottled water is under our control from the source," said Douglas E. Nelson, president of McKesson's water division, which sells bottled water labeled Alhambra in northern California, Sparkletts in southern California, and Crystal in Arizona.

SPAIN: *Going High-Tech*

(Continued from first finance page)

compete, the government has prepared legislation restricting the monopoly currently enjoyed by Telefónica in all aspects of Spain's telephone market.

The legislation, which is expected to be submitted to the parliament after national elections later this month, will preserve Telefónica's rights as the sole carrier, but open up the supply of modems and equipment to other companies.

Telefónica, meanwhile, has undertaken an ambitious foreign-expansion campaign in which it has sought business on practically every continent. Company executives went to China and the Soviet Union late last year and recently sold a packet-switching system to Tunisia to gain a position in North Africa.

STOCKS: *Some Cooling Off*

(Continued from first finance page)

home-building materials, automobile manufacturers, retailers, finance, tobacco, airlines and trucking.

Multiline insurance and property-casualty stocks — top performers for the last year — were buffeted this week by reports that Florida's Legislature may roll back commercial liability premiums by 25 percent to 40 percent while limiting jury damage awards. That disclosure, startling Wall Street, elicited contrasting reactions Tuesday from insurance analysts at two leading brokerage firms.

"We downgraded investment ratings on virtually all stocks in this group," said Donald E. Franz of Smith Barney, Harris Upham & Co. "Generally speaking we went from a 'buy' rating to either 'hold' or 'lighten.'" The latter designation is a recommendation for partial profit taking.

At Merrill Lynch, Gerald Lewinsohn said he regarded any weakness in insurance stocks as a buying opportunity since he doubted that the Florida plan would become a reality. "If the insurance industry is not allowed to post rate increases, it would not be a viable industry," he added.

CURRENCY MARKETS

Dollar Mixed in European Trading

Compiled by Our Staff From Dispatches

LONDON — The dollar ended mixed Wednesday in light European trading, but recovered some of its sharp losses from the day before.

Dealers said that the market was still shaky after statements by U.S. and Japanese monetary officials this week and that few operators were willing to take new positions until a clearer trend emerged.

In London, the dollar closed at 2.2770 Deutsche marks, up slightly from Tuesday's close of 2.2743, and at 171.40 yen, almost unchanged from 171.75.

The British pound closed at $1.4835, down from $1.4945.

Dealers said that after some confusion, the market was now reading into comments by U.S. officials a desire by the United States to push the dollar lower.

On Monday, the U.S. trade representative, Clayton K. Yeutter, attributed the recent sharp rise of the dollar almost exclusively to Bank of Japan intervention.

Mr. Yeutter's remarks that the yen would resume its rise after the Japanese elections triggered a wave of dollar selling on Tuesday.

On Wednesday, U.S. Treasury Secretary James A. Baker 3d declined comment at a news conference on whether he thought the yen should rise. He said he felt "constrained" from commenting on exchange-rate relationships "unless there is a specific reason to do so."

Dealers said that they hoped Paul A. Volcker, chairman of the U.S. Federal Reserve, would indicate, at an international monetary conference in Boston on Wednesday, how the Fed plans to cope with a falling dollar and rising interest rates.

U.S. officials said Wednesday that the Treasury was considering taking part in a conference in Switzerland on currency stability later this month. The conference is intended to strengthen support for a recent international accord on closer economic cooperation, including the possible management of exchange rates.

Earlier, in other trading in Europe, the dollar was fixed in Frankfurt at 2.2686 DM, down from 2.2865 at Tuesday's fixing and in Paris at 7.2235 French francs, down from 7.2815.

It closed in Zurich at 1.8843 Swiss francs, up from 1.8818 Tuesday. *(Reuters, AP, IHT)*

London Dollar Rates

Closing	Wed.	Tue.
Deutsche mark	2.2770	2.2743
Pound sterling	1.4835	1.4945
Japanese yen	171.40	171.75
Swiss franc	1.8823	1.8871
French franc	7.2500	7.2585

Source: Reuters

THE EUROMARKETS

Volcker's Comments Help to Depress Prices

By Christopher Pizzey

Reuters

LONDON — The dollar-straight sector generally ended lower again Wednesday. The drop came in an active afternoon's trading in which morning gains were erased as the New York market fell sharply.

The Federal Reserve Board chairman, Paul A. Volcker, said he sees some potential problems with U.S. inflation without a continued decline in oil prices. This comment sparked a wave of selling in New York and prices quickly dropped back in sympathy, dealers noted.

A dealer noted: "There are some pretty awful unrealized losses in the market."

No new dollar-straight bond issues were launched during the day, with dealers noting that many of the recent issues are still being held by underwriters.

However, some equity-warrant bonds were launched, including a three-tranche issue for the Japanese securities firm, Yamaichi Securities Co. Two of the issues are being sold in Europe, while the third is being marketed in the Far East.

Yamaichi International (Europe) Ltd. led the European tranches. The first was a $40-million, 10-year bond issue with an indicated coupon of 4 percent and par-pricing. The second was a £20-million bond issue paying an indicated 3¼ percent over five years and priced at par.

Yamaichi quoted the issues around their issue prices. A Yamaichi official noted that this was the first time that a Japanese firm had lead-managed a sterling issue.

The other tranche was a $30-million bond issue with an indicated coupon of 3¼ percent. The seven-year issue was led by Yamaichi International (HK) Ltd. Final terms will be fixed June 11.

Maruetsu Inc. issued a $70-million equity-warrant bond issue paying a fixed 2¾ percent over 5 years and priced at par. The lead manager was Nomura International Ltd. and the issue was guaranteed by Fuji Bank Ltd.

The floating-rate-note sector saw a further launch — a $200-million note issue for National Bank of Canada. The issue is noncallable for its 10-year life and pays 1/16 point over the 6-month London interbank offered rate.

It was lead-managed by Morgan Stanley International and was quoted on the market at 99.65 bid, compared with the total fees of 50 basis points.

Chase Manhattan Ltd. lead-managed a 100-million-kroner bond issue for A/S Varde Bank. The issue pays 9⅞ percent over seven years and was priced at 100⅛. It was quoted just within the total fees of 1⅞ percent, at a discount of 1¾.

Market sources noted that the borrower also launched a $15-million FRN issue due 1994 paying ¼ point over six-month Libor. It was not trading actively.

Back in the secondary market, sterling-straight issues also reacted to Mr. Volcker's remark about inflation and tended to end little changed, having risen ¼ or ⅜ point earlier, dealers noted.

Wednesday's OTC Prices

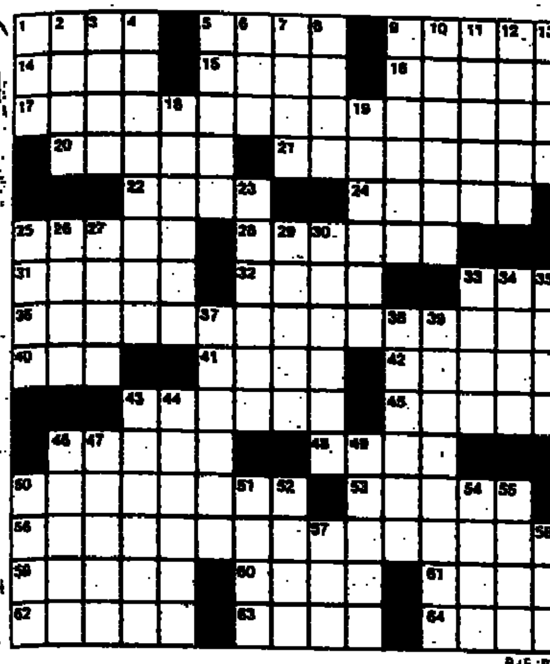
NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



6/5/86

ACROSS

1 Hawaiian port
5 French secular cleric
9 Thin as ——
14 King of Norway
15 Thin layer of coal
16 River in Belgium
17 Warn with a secret signal
20 Hair-raising
21 Ordinances
22 Shriner or Edelman
24 Writer Emile et al.
25 —— as a March hare
28 Take umbrage
31 Dracula, e.g.
32 Muscat native
33 Evian, for one
36 Be prepared for a shock
40 French season
41 British ref. books
42 Football's Greasy ——
43 Island SW of the Philippines
45 Design
46 Choice menu item
48 Kind of grapes
50 "... all that —— gold"
53 Kind of landing
56 Accept hurt without complaint
59 Unusual individuals
60 Fuselage part
61 Slippery
62 Kind of terrier or rabbit
63 Jug
64 Double follower

DOWN

1 Glutton
2 Netman Nastase
3 Anagram for vale
4 Stroke for 2 Down
5 Potok's "My Name Is —— Lev"
6 Honey maker
7 Scrooge's cries
8 Give off
9 Donizetti's Lucia
10 Consequence
11 Ekberg or Bryant
12 Playwright and British prelate
13 Bifocal
18 Attached
19 Belvedere's kin
23 Roast, in Bonn
25 Yearn
26 Lampblack
27 Symbol of stubbornness
29 Disintegrate
30 Dictums
33 Holmes vehicle
34 Become tired
35 Fit to ——
37 "—— for the weary"
38 Lacking certainty
39 Backtracked
43 Howlers
44 Around a wee hour: Colloq.
46 Scottish noble
47 Singer-actor Theodore
49 Earthy color
50 Pack away
51 Tops
52 Phoebe or C. P.
54 Mets' home
55 Handle
57 Famed poet's monogram
58 Actor-comedian Louis

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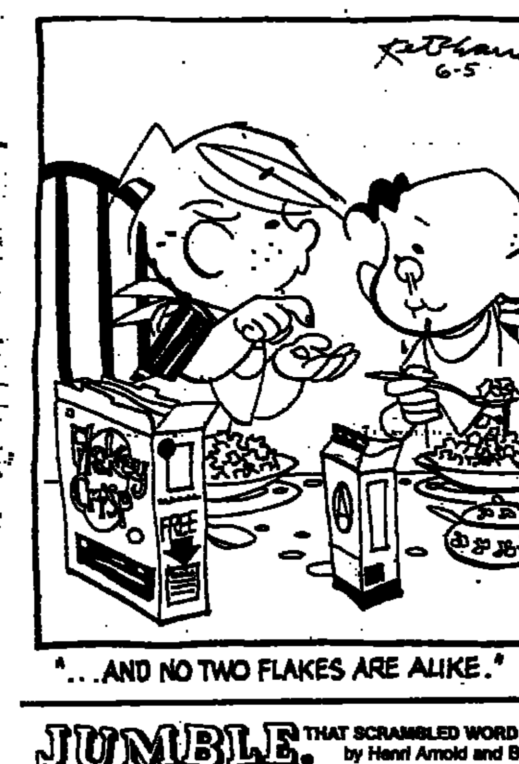
DENNIS THE MENACE



"... AND NO TWO FLAKES ARE ALIKE."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

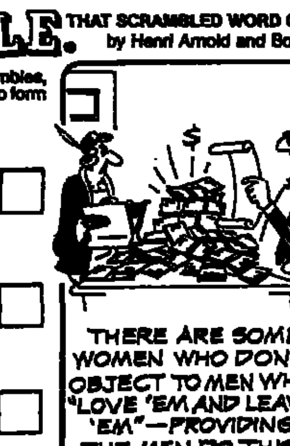
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MEVON

ECKER

HELGGA

AIRFUN



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "EM"

(Answers tomorrow)

Yesterday's | Jumbles: GRAVE ASSAY RADIAL TYCOON
Answer: Many after-dinner speakers are inclined to give you more than this—YOU CAN DIGEST

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	24	75	15	59	fr
Amsterdam	13	55	8	46	sh
Athens	27	81	20	68	fr
Barcelona	23	73	14	57	cl
Belgrade	21	70	12	54	cl
Berlin	12	54	12	54	r
Brussels	12	54	8	46	sh
Bucharest	20	68	13	55	o
Budapest	17	63	8	46	cl
Copenhagen	13	55	11	52	r
Costa Del Sol	25	77	14	57	fr
Dublin	11	52	5	41	o
Edinburgh	13	55	3	37	sh
Florence	19	66	12	54	o
Frankfurt	15	59	10	50	r
Geneva	15	59	13	55	sh
Helsinki	14	57	9	48	o
Istanbul	—	—	—	—	na
Las Palmas	22	72	17	63	cl
Lisbon	26	79	16	61	fr
London	13	55	7	45	sh
Madrid	29	84	12	54	fr
Milan	19	66	4	37	cl
Moscow	28	82	16	61	fr
Munich	11	52	8	46	cl
Nice	27	81	14	57	cl
Oslo	15	59	10	50	o
Paris	15	59	10	50	cl
Prague	14	57	8	46	sh
Reykjavik	8	46	2	36	cl
Rome	24	75	11	52	fr
Stockholm	13	55	8	46	r
Strasbourg	14	57	11	52	sh
Venice	21	70	12	54	cl
Vienna	18	64	7	45	cl
Warsaw	19	66	7	45	cl
Zurich	14	57	10	50	sh
MIDDLE EAST					
Ankara	—	—	—	—	na
Beirut	27	81	20	68	fr
Damascus	—	—	—	—	na
Jerusalem	28	82	16	61	fr
Tel Aviv	29	84	18	64	fr
OCEANIA					
Auckland	16	61	8	46	cl
Sydney	17	63	7	45	fr

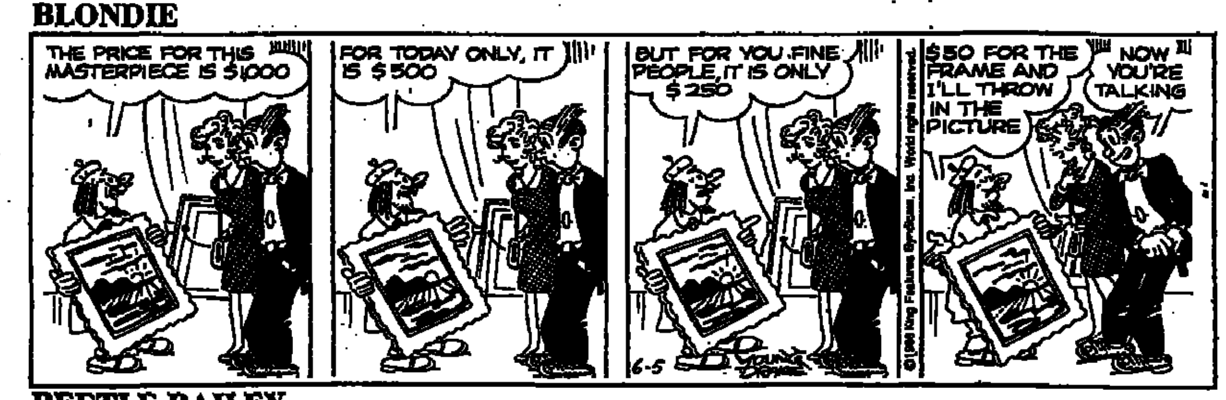
ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	26	79	cl
Beijing	28	82	18	64	fr
Hong Kong	30	86	25	77	sh
Manila	34	93	24	75	fr
New Delhi	38	100	24	75	fr
Seoul	24	75	17	63	cl
Shanghai	25	77	19	66	cl
Singapore	29	84	22	72	cl
Taipei	31	88	24	75	cl
Tokyo	24	75	18	64	o
AFRICA					
Algiers	23	73	14	57	fr
Cairo	35	95	21	70	fr
Cape Town	15	59	8	46	fr
Casablanca	22	72	15	59	cl
Harare	24	75	11	52	fr
Lagos	30	86	23	73	st
Nairobi	—	—	—	—	na
Tunis	28	82	14	61	fr
LATIN AMERICA					
Buenos Aires	19	66	7	45	fr
Caracas	26	79	19	66	cl
Lima	22	72	14	57	cl
Mexico City	26	79	15	59	fo
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	15	59	9	48	cl
Atlanta	26	79	19	66	cl
Boston	27	81	10	50	fr
Chicago	27	81	15	59	pc
Denver	26	79	12	54	pc
Detroit	27	81	10	50	pc
Honolulu	30	86	21	70	fr
Houston	32	90	23	73	cl
Los Angeles	25	77	17	63	pc
Miami	31	88	25	77	sl
Minneapolis	23	73	17	63	cl
Montreal	14	57	1	34	fr
Nassau	31	88	26	79	pc
New York	25	77	12	54	fr
San Francisco	19	66	14	57	cl
Seattle	21	70	12	54	fr
Toronto	14	57	1	34	fr
Washington	26	79	20	68	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Slightly choppy. FRANKFURT: Foggy. Temp. 12 — 7 (54 — 45). LONDON: Showers. Temp. [illegible]. MADRID: Fair. Temp. [illegible]. NEW YORK: Cloudy. Temp. 27 — 17 [illegible]. ROME: Cloudy. Temp. [illegible]. TEL AVIV: Not available. ZURICH: Foggy. Temp. [illegible]. HONG KONG: [illegible]. BANGKOK: Fair. Temp. 34 — 26 (93 — 79). MANILA: Fair. Temp. 32 — 25 (90 — 77). SEOUL: Foggy. Temp. 24 — 17 (75 — 63). SINGAPORE: Stormy. Temp. 29 — 27 [illegible]. TOKYO: Foggy. Temp. 24 — 16 (75 — 61).

PEANUTS

BLONDIE



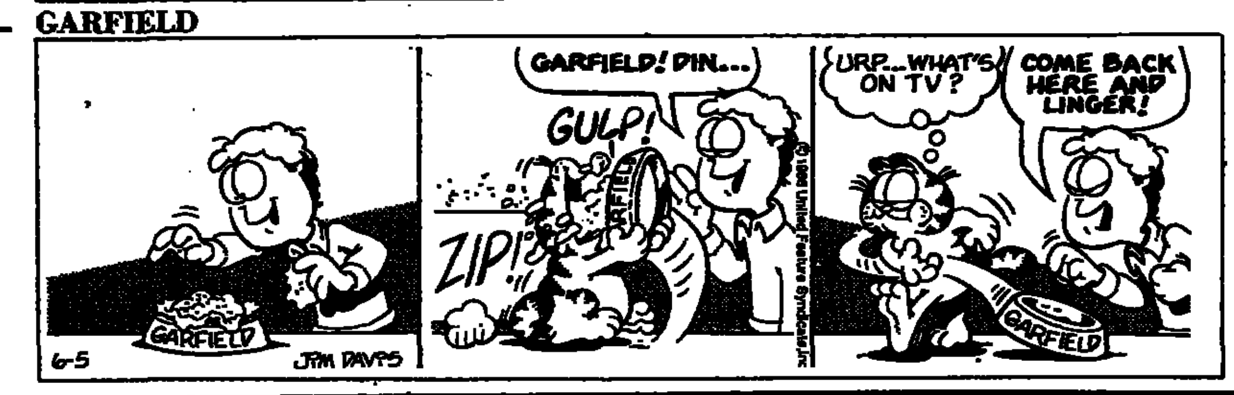
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



BOOKS

WINTER IN JERUSALEM

By Blanche d'Alpuget. 269 pages. $16.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Richard Eder

EVERY nation that I can think of, except one, has defined itself by virtue of existing. Israel is the exception; it exists by virtue of defining itself.

In Israel, essence preceded existence. *Raison d'être* preceded *raison d'état*. Israel had a reason for being before it had a being.

Which is why these last years have been so wrenching. There was the shadowing of the old Labor tradition by more purely nationalistic political currents, the rise of Begin and Sharon, the Lebanese invasion, the growth of religion and settler extremisms. These things have shaken, if they have not yet dislodged, the old assumptions of a bristly but humane social democracy where moral argument may not have always prevailed, but was always taken into account.

When Israel questions its essence, it questions its existence. And this is the theme of "Winter in Jerusalem," an impetuous and provocative novel by the Australian writer, Blanche d'Alpuget.

Her Jerusalem is a place where everything is in painful flux, and lives and assumptions have been turned upside down. Even the weather is subversive. The truth is that Jerusalem has its winters, and they can be cold. But the Promised Land was promised sun and oranges. Jerusalem houses rarely, if ever, have central heating; people improvise as if winter each year were an annual string of daily exceptions. D'Alpuget uses a piercing wind and the emptiness of the streets on an icy night to say something about a society whose Utopian energy forged its own reality for a while, and which finds reality turning intractable again.

Through these streets, in unsuitable Rodeo Drive boots, she dispatches Danielle Green, a high-strung, successful screenwriter who is trying to put together a fractured sensibility and a bits-and-pieces life. Born of a mixed marriage and reared in Jerusalem, she and her mother emigrated to Australia at the start of the independence fighting. Her father had kicked them out. The killing of Danielle's brother by an Arab sniper turned this urbane and sophisticated man into a religious and political fanatic with no use for a frivolous gentile wife.

Now, in her late 30s, Danielle returns to write a script and to scout locations for a film to be made by a flamboyant Israeli-born Hollywood producer, Bennie Kidron. What she is really scouting is her past. She tries, with no success, to establish relations with her father, who has become an extremist leader bent on expelling the Arabs and rebuilding the Temple. She visits an old teacher, who has outlived her Zionist causes but not her idealism. She has a tormented affair with Bennie. And she is caught up, unwittingly, in a plot by a splinter group of homosexual Arab terrorists.

D'Alpuget, author of "Turtle Beach," is a gifted writer with an individual and powerful vision of the convulsions of our times. The hyperactive plot of "Winter in Jerusalem" serves to take us into the convulsions. On its own terms, though, it does not work very well. To get these assorted characters and their assorted purposes to move properly, you need cooler architecture than the author constructs. Her strength is to be hot and intuitive.

Some of her characters are shorthand for their own messages. The terrorists — one of them is an old schoolmate of Danielle — are repulsive, menacing and pathetic, but they are caricatures. The ambitious portrait of Bennie as a force of nature who is crass and sensitive at the same time, tries to be larger than life, but comes out simply as enlarged.

Danielle, the book's driving spirit, is flawed. When we have her churning over her love affairs and her brilliant career and her inner life, she is too crowded to be quite visible. Her emotions are overdressed, as if the author had shirked selectiveness; a sculpture with too little chiseled out.

But to go on with these novelistic defects would be to miss the freshness and energy of the book's insights.

The heart of "Winter in Jerusalem," beyond plot or character, is in the encounters, most but not all of them, Danielle's. Some are intense; others are brief and casual; and some of these provide, in a quick gesture or phrase, the book's strongest moments.

The portrait of the octogenarian teacher and former activist has a shining grace. She lives day by day, cheerfully and in the foreknowledge of tragedy. Undressed, she glances at her body, sticklike, in the mirror. "She was platinum and white, like an old moonbeam."

If there is a touch of contrivance in some of the characters and situations — the movie that Danielle and Bennie want to make is about the last stand of the Jewish Zealots at Masada — there is none in the portrait of Amos and his son, Gideon.

Amos, an old warrior and idealist, is bitter about the new Israel. He deplores the spirit of aggrandizement, the mood represented by Sharon and his followers, the loss of introspection. He wields his own foreboding that Israel will become "just another Middle Eastern state." He deplores the Lebanese invasion. Yet he can't accept Gideon's decision to face a court martial rather than return to the Lebanese front. And to these contradictions, a third one is added. The idealistic Gideon is killed by the terrorist bomb and Amos, getting the news, is all but literally torn apart.

D'Alpuget's tumultuous sensibility, if it makes her novel suffer through haste and awkwardness, shines through it. "Winter in Jerusalem" stumbles, but partly because its path is an impressive ascent.

Richard Eder is on the staff of the Los Angeles Times.

Solution to Previous Puzzle

T	I	D	Y		A	P	P	A	L		U	C	L	A
E	L	I	A		R	A	I	S	E		N	O	A	H
R	I	S	K		I	N	U	S	E		B	R	I	O
M	A	C		C	O	N	S	I	S	T	E	N	C	Y
	C	R	E	A	S	E		S	H	I	N			
		E	L	M	O		S	T	O	O	D	P	A	T
T	I	T	L	E			H	E	R	S		R	U	E
A	S	I	S		C	R	U	D	E		B	E	T	A
L	E	O		W	H	E	N			F	A	V	O	R
C	O	N	C	E	A	L	S		D	O	L	E		
			H	A	R	I		M	I	X	I	N	G	
F	A	M	I	L	I	A	R	I	T	Y		T	U	G
O	P	A	L		E	N	O	C	H		T	I	E	R
R	E	C	D		S	C	A	R	E		R	O	S	A
T	R	E	E		T	E	N	O	R		A	N	T	S

6/5/86

BRIDGE

By Alan Truscott

ON the diagramed deal the declarer survived in a shaky three-no-trump contract. In the auction shown North's two-heart bid was a transfer, showing spade length, rather that a cue-bid.

After the lead of the heart seven, South could expect to score four diamond tricks, two hearts and two clubs. He therefore needed a ninth trick in the black suits.

When the heart eight was played from the dummy, East correctly covered with the nine. South won with the queen, crossed to the diamond king and led a spade. In view of the opening bid, he tried the queen when East played low, and lost to the king.

This was the moment of truth for the defense. West, chose to shift to the club ten. South won with the king, crossed to the diamond ace and led a heart. East won the ace and was headed for trouble after returning a heart. Eventually, after the diamond winners had been cashed in the closed hand, he was thrown in with a heart and forced to give South his vital ninth trick in a black suit.

Suppose, however, that West had chosen to lead the spade ten after winning the third trick. It would then be vital, but not obvious, for South to cover the jack. Allowing he ten to win would permit West to play a diamond, putting the defense on top by attacking South's communications.

NORTH
♠ J 7 5 3 2
♡ 10 8
◇ A K 4
♣ J 8 5

WEST
♠ K 10 4
♡ 7 3
◇ 8 6 5 3 2
♣ 10 9 4

EAST (D)
♠ A 8 6
♡ A J 9 6 2
◇ 7
♣ Q 7 6 2

SOUTH
♠ Q 9
♡ K Q 5 4
◇ Q J 10 9
♣ A K 3

Neither side was vulnerable. The bidding:

East	South	West	North
1 ♡	1 N.T.	Pass	2 ♡
Pass	2 ♠	Pass	3 N.T.
Pass	Pass	Pass	

West led the heart seven.

World Stock Markets

Via Agence France-Presse June 4

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	583	584.50
ACF Holding	331.50	334.50
Aegon	111.50	111.20
Akzo	172.20	172.30
Ahold	88.30	84.30
Amev	82.70	82.50
A'Dam Rubber	12.60	12.80
Amro Bank	118.40	110.30
BVG	225	221
Buehrmann T	180	182
Caland Hldg	19.30	18.50
Elsevier-NDU	219	219
Fokker	90.50	89.20
Gist Brocades	292.50	291
Heineken	173	173.50
Hoogovens	114	112.40
KLM	50.80	51.20
Naarden	60	59
Nat Neder	87	87.10
Nedlloyd	170	163
NMB	215.50	216.50
Oce Vander G	510	515
Pakhoed	55.80	53.90
Philips	56.10	56.90
Robeco	93.60	94.20
Rodamco	141	141.70
Rolinco	86.40	87
Rorento	50.10	50.40
Royal Dutch	198.60	196.20
Unilever	473.50	473.50
Van Ommeren	34.50	33.90
VMF Stork	298	300
VNU	338	338

ANP.CBS Gen'l Index : 289.60
Previous : 290.20

Brussels

	Close	Prev.
Arbed	2978	2995
Bekaert	11900	N.Q.
Cockerill	144	143
Cobepa	4400	4510
EBES	4380	4400
GB-Inno-BM	7410	7520
GBL	3120	3130
Gevaert	6070	6040
Hoboken	7300	7220
Intercom	3500	3560
Kredietbank	14975	17000
Petrofina	7910	7900
Soc Generale	2930	2950
Sofina	9800	9900
Solvay	7770	7830
Traction Elec	6090	5940
UCB	7300	7320
Unerg	2565	2630
Vieille Montagne	5800	5760

Current Stock Index : 3684.81
Previous : 3618.52

Frankfurt

	Close	Prev.
AEG	313.50	303
Allianz Vers	2305	2280
Altana	386	392
BASF	274.50	272.80
Bayer	294.70	298.60
Bay. Hypo bank	520	515
Bay Vereinsbank	515	512
BBC	301	305.20
BHF-Bank	489	493
BMW	558	554
Commerzbank	302.50	299.50
Conti Gummi	240	235
Daimler-Benz	1210	1282
Degussa	443	439.80
Deutsche Babcock	188	192
Deutsche Bank	779	770
Dresdner Bank	404	397.20
GHH	207.50	211
Harpener	400	392
Hochtief	920	950
Hoechst	269.80	283
Hoesch	174.50	172
Horten	182	180
Hussel	485	480.70
IWKA	257	255.50
Kali + Salz	221.50	223
Karstadt	324	318
Kaufhof	420	400
Kloeckner H-D	249	242
Kloeckner Werke	89.80	90.10
Krupp Stahl	140.10	160
Linde	682	680
Lufthansa	205	195
MAN	182	182
Mannesmann	210.50	209.80
Muench Rueck	2895	2760
Nixdorf	575	561
PKI	800	797
Porsche	1050	1030
Preussag	179	172.50
PWA	216	217
RWE	226	218
Rheinmetall	390	393
Schering	563	559
SEL	362	357
Siemens	616	603.70
Thyssen	156	152
Veba	280	270.80
Volkswagenwerk	537.50	538.50
Wella	770	790

Commerzbank Index : 1894.90
Previous : 1901.60

Hong Kong

	Close	Prev.
Bk East Asia	18.60	18.70
Cathay Pacific	5.50	5.55
Cheung Kong	20.30	20.30
China Light	15.70	15.80
Green Island	7.95	7.80
Hang Seng Bank	35.50	35.50
Henderson	2.125	2.10
China Gas	14.90	14.90
HK Electric	8.90	8.95
HK Realty A	10.30	10.30
HK Hotels	36.75	36.75
HK Land	6.05	6.10
HK Shang Bank	6.75	6.75
HK Telephone	17.80	17.70
HK Yaumatei	3	3.025
HK Wharf	6.85	6.90
Hutch Whampoa	28.30	28.30
Hysan	8.66	8.67
Jardine	12.40	12.20
Jardine Sec	12	11.80
Kowloon Motor	8.45	8.70
Miramar Hotel	3.60	3.575
New World	6.85	6
SHK Props	12.20	12.10
Stelux	1.69	1.70
Swire Pacific A	12	12
Tai Cheung	1.95	1.93
Wing On Co	1.46	1.46
Winsor	8.70	8.90
World Int'l	2.35	2.35

Hang Seng Index : 1756.67
Previous : 1757.91

Johannesburg

	Close	Prev.
AECI	1050	1050
Anglo American	4575	4525
Anglo Am Gold	24000	24000
Barlows	1920	1820
Blyvoor	1940	1925
Buffels	8000	7600
De Beers	2610	2600
Driefontein	5850	5725
Freegold	3425	3050
GFSA	3950	3900
Harmony	3400	3325
Hiveld Steel	700	690
Kloof	2500	2450
Nedbank	580	590
Rusplat	3325	3325
SA Brews	1020	1000
St Helena	4850	4850
Sasol	697	700
Welkom	2160	2150

Composite Stock Index : 1478.46
Previous : 1463.30

London

	Close	Prev.
AA Corp	$10⅛	$10⅝
Allied-Lyons	338	333
Anglo Am Gold	$59¼	356
Ass Brit Foods	334	342
Asda-MFI Gp	146	144
Barclays	484	487
Bass	775	775
B.A.T.	390	380
Beecham	393	390
BL	39	39
Blue Circle	646	676
BOC Group	313	315
Boots	252	251
Bowater Indus	305	308
BP	580	570
Brit Telecom	230	230
Brit Aerospace	523	523
Britoil	180	175
BTR	315	313
Burmah	354	353
Cable Wireless	643	640
Cadbury Schw	169	168
Charter Cons	238	240
Commercial U	304	306
Cons Gold	444	444
Cookson Group	520	520
Courtaulds	282	281
Dalgety	263	260
De Beers £	622	620
Driefontein	$14⅝	$13⅞
Fisons	570	568
Free St Ged	$8⅛	$7⅞
GEC	204	206
Gen Accident	799	812
GKN	343	336
Glaxo	9 63/64	9 61/64
Grand Met	388	386
GRE	832	839
Guinness	301	301
GUS	11⅞	11⅞
Hanson	178	185
Hawker	587	579
ICI	926	917
Imperial Group	372	372
Jaguar	503	491
Land Securities	313	313
Legal General	248	248
Lloyds Bank	542	547
Lonrho	247	250
Lucas	561	561
Marks and Sp	200	197
Metal Box	720	725
Midland Bank	522	527
Nat West Bank	745	755
P and O	531	528
Pilkington	436	433
Plessey	216	212
Prudential	759	762
Racal Elect	196	196
Randfontein	$44⅞	[illegible]
Rank	542	544
Reed Intl	977	832
Reuters	458	443
Royal Dutch £	52 19/64	52 27/64
RTZ	652	657
Saatchi	780	775
Sainsbury	354	358
Sears Holdings	130	131
Shell	800	788
STC	140	136
Std Chartered	792	794
Storehouse	290	288
Sun Alliance	632	637
Tate and Lyle	588	570
Tesco	351	358
Thorn EMI	449	457
T.I. Group	526	547
Trafalgar Hse	299	300
THI	155	155
Ultramar	180	180
Unilever £	16 13/32	16 13/32
United Biscuits	237	239
Vickers	450	450
War Loan 3½ £	40¼	40⅜
Woolworth	855	840

F.T. 30 Index : 1320.66
Previous : 1320.40
F.T.S.E. 100 Index : 1601.40
Previous : 1603.50

Paris

	Close	Prev.
Air Liquide	745	764
Alsthom Atl.	430	440
Av Dassault	1300	1350
Bancaire	1055	1100
BIC	616	625
Bongrain	1780	1790
Bouygues	1095	1150
BSN-GD	3420	3470
Carrefour	2725	2720
Chargeurs	1085	1110
Club Med	501	505
Darty	3072	3100
Dumez	1265	1271
Elf-Aquitaine	297	309
Europe 1	1350	1360
Gen Eaux	1240	1280
Hachette	3090	3000
Lafarge Cop	1285	1301
Legrand	3525	3571
Lesieur	1010	1048
l'Oreal	3225	3285
Martell	1559	1586
Matra	1960	2050
Merlin	3081	3195
Michelin	2683	2810
Moet Hennessy	2230	2280
Moulinex	90.20	90.60
Occidentale	935	940
Pernod Ric	1000	1035
Perrier	680	715
Peugeot	906	940
Printemps	533	555
Radiotechn	818	840
Redoute	1855	1900
Roussel Uclaf	1230	1475
Sanofi	685	715
Skis Rossignol	1280	1340
Telemecan	3050	3140
Thomson CSF	1202	1226
Total	356	356

CAC Index : 351.10
Previous : 359.10

Singapore

	Close	Prev.
Cerebos	2.96	2.97
Cold Storage	3.06	2.92
DBS	6.10	6.05
Fraser Neave	4.70	4.80
Haw Par	2.48	2.45
Hume	1.88	1.88
Inchcape	1.77	1.83
Lum Chang	0.88	0.89
Malayan Banking	3.16	3.20
OCBC	7	6.85
OUB	2.81	2.83
OUE	2.03	2.05
Shangri-la	2.35	2.35
Sime Darby	1.35	1.35
S'pore Airlines	6.75	6.75
S'pore Land	2.83	2.80
S'pore Press	6.70	6.75
S Steamship	1.02	1.02
St.Trading	2.85	2.88
UOB	3.52	3.54
United Overseas	1.06	1.07

Straits Times Ind Index : 693.25
Previous : 695.31

Stockholm

	Close	Prev.
AGA	198	200
Alfa Laval	370	367
Asea	362	356
Astra	630	605
Atlas Copco	225	226
Beijer	170	163
Boliden	175	N.Q.
Electrolux	281	279
Ericsson	270	265
Esselte	N.Q.	545
Fermenta	167	166
Handelsbanken	400	400
Pharmacia	221	223
Saab-Scania	845	847
Sandvik	890	905
Skanska	162	158
SKF	350	343
SwedishMatch	355	348
Volvo	430	432

Affaersvaerlden Index : 666.50
Previous : 668.70

Sydney

	Close	Prev.
ACI	3.58	3.60
ANZ	5.36	5.38
BHP	8.70	8.62
Boral	4.72	4.70
Bougainville	2.70	2.70
Coles Myer	5.72	5.70
Comalco	2.40	2.40
CRA	6.30	6.36
CSR	3.43	3.35
Dunlop	3.52	3.45
Elders Ixl	4.40	4.40
ICI Australia	2.60	2.65
Magellan	1.40	1.35
MIM	2.28	2.34
Nat Aust Bank	6	5.98
News Corp	22	22.50
N Broken Hill	1.90	1.90
Poseidon	2.70	2.70
Qld Coal Trust	1.68	1.59
Santos	3.88	3.90
Thomas Nation	3.70	3.60
Western Mining	3.22	3.18
Westpac Banking	5.16	5.12
Woodside	0.94	0.93

All Ordinaries Index : 1223.30
Previous : 1220.60

Tokyo

	Close	Prev.
Akai	354	351
Asahi Chemical	852	845
Asahi Glass	1230	1230
Bank of Tokyo	782	789
Bridgestone	728	736
Canon	1050	1070
Casio	1670	1630
C.Itoh	454	460
Dai Nippon Print	1990	1890
Daiwa House	1400	1390
Daiwa Securities	1480	1390
Fanuc	6900	7050
Fuji Bank	1500	1510
Fuji Photo	2900	2680
Fujitsu	990	1000
Hitachi	888	898
Hitachi Cable	948	940
Honda	1180	1190
Japan Air Lines	9800	9800
Kajima	875	895
Kansai Power	2330	2330
Kawasaki Steel	180	170
Kirin Brewery	1520	1440
Komatsu	490	491
Kubota	355	350
Kyocera	4310	4320
Matsu Elec Inds	1530	1560
Matsu Elec Works	1390	1430
Mitsubishi Bank	1420	1430
Mitsubishi Chem	745	725
Mitsubishi Elec	354	354
Mitsubishi Heavy	373	375
Mitsubishi Corp	760	757
Mitsui and Co	453	451
Mitsukoshi	1060	1080
Mitsumi	1160	1180
NEC	1570	1560
NGK Insulators	970	980
Nikko Sec	1050	1080
Nippon Kogaku	1140	1060
Nippon Oil	1200	1130
Nippon Steel	180	175
Nippon Yusen	421	485
Nissan	549	550
Nomura Sec	2070	2050
Olympus	1290	1280
Pioneer	2400	2410
Ricoh	928	920
Sharp	1040	1030
Shimazu	1130	1130
Shinetsu Chemical	1240	1210
Sony	3530	3600
Sumitomo Bank	1820	1860
Sumitomo Chem	367	365
Sumitomo Marine	875	871
Sumitomo Metal	152	146
Taisei Corp	517	507
Taisho Marine	740	741
Takeda Chem	1640	1580
TDK	4050	4180
Teijin	513	510
Tokio Marine	1230	1220
Tokyo Elec. Power	3850	3850
Toppan Printing	1580	1550
Toray Ind	559	558
Toshiba	429	430
Toyota	1520	1550
Yamaichi Sec	1050	1066

Nikkei 225 : 16882.75
Previous : 16669.54
New Index : 1304.38
Previous : 1302.98

Zurich

	Close	Prev.
Adia	6450	6500
Alusuisse	720	720
Autophon	7700	7700
Bank Leu	3600	3550
Brown Boveri	1835	1895
Ciba Geigy	3530	3625
Credit Suisse	3730	3770
Electrowatt	3530	3550
Interdiscount	5000	5100
Jacob Suchard	7800	7825
Jelmoli	3450	3475
Landis Gyr	1860	1870
Moevenpick	6650	6650
Nestle	8300	8375
Oerlikon-B	1750	1810
Roche Baby	N.A.	11475
Sandoz	1725	1800
Schindler	3900	3940
Sulzer	605	618
Surveillance	N.A.	6200
Swissair	1690	1710
SBC	552	558
Swiss Reinsurance	3250	3350
Swiss Volksbank	2450	2510
Union Bank	5575	5600
Winterthur	7825	7200
Zurich Ins	3450	8050

SBC Index : N.A.
Previous : 644.40

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *June 4*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
4000	Abti Prce	$25	24½	24½	— ¼
600	Acklands	$20¼	20⅛	20⅛	— ⅛
12050	Agnico E	$20⅝	20½	20⅝	
680	Agra Ind A	$16⅛	15⅝	16	+ ⅛
4850	Alt Energy	$12½	12¼	12⅜	+ ⅛
3350	Alta Nat	$13	12¾	12¾	— 1
7738	Algoma St	$15¼	14¾	15	
83420	A Barick o	$14	13⅝	14	+ ½
42299	Atco I f	$8	7¾	7⅞	
64913	BCED	475	445	455	—10
108	BCED A	$6⅝	6⅝	6⅝	— ⅛
1133	BP Canada	$30¾	30¼	30½	+ ¼
130875	Bank BC	345	330	335	—15
363914	Bank N S	$15	14¾	15	+ ¼
1425	Baton	$24	24	24	
14169	Bonanza R	175	175	175	
500	Bralorne	125	125	125	—10
6410	Bramalea	$20½	20¼	20¼	— ⅛
273609	BCFP	$13	12½	12⅝	— ⅜
24818	BC Res	142	137	137	— 1
11792	BC Phone	$28⅝	28	28⅝	+ ⅜
5820	Brunswk	$13½	13⅛	13½	+ ½
750	Budd Can	$35⅝	35⅝	35⅝	+ ⅛
42604	CAE	$23¼	22⅞	23	
508	CCL A	$19⅝	19⅝	19⅝	+ ⅜
16040	CCL B f	$19⅝	19⅛	19⅛	+ ⅛
23618	Cad Frv	$19	18¾	19	
5450	Campeau f	$27½	27¼	27½	
117730	C Nor West	$16	16	16	
11410	C Packrs	$44⅝	44	44⅝	+ ½
340	Can Trust	$53⅝	53¼	53⅝	
4700	C Tung	$8½	8½	8½	— ¼
74354	Ct Bk Com	$18⅝	18⅜	18½	+ ⅛
66867	CTire A f	$15¼	14⅞	15⅛	
100	C Util B	$18⅞	18⅞	18⅞	— ⅛
900	Cara	$32	31⅞	31⅞	
4002	Celanese	$18	17¾	17¾	— ¼
2600	Celan 175 p	$20	19⅝	20	— ½
36050	Centrl Tr	$20⅞	20⅝	20⅞	+ ⅜
152183	Cineplex	$22⅝	20⅝	21⅛	— 1
3400	C Distb A	$8	7½	7¾	
34300	CDistb B f	$7⅞	7½	7½	— ⅜
6250	CTL Bank	$9⅝	9⅝	9⅝	— ⅛
2800	Conwest A	$8¾	8¾	8¾	— ¼
1400	Coseka R	125	125	125	
9200	Crownx	$33½	33¼	33½	
650	Czar Res	130	130	130	
23942	Denison A p	$7	6⅞	7	— ¼
56256	Denison B f	$6⅞	6¾	6¾	— ⅛
1550	Develcon	340	335	335	—10
17900	Dicknsn A f	$7	6⅞	7	+ ¼
5200	Dicksn B	$7¼	7⅛	7¼	
172007	Dofasco	$32¼	31¾	32	+ ¼
4470	Du Pont A	$34¾	33½	33½	—1¼
20880	Dylex A	$17¼	16⅞	17⅛	
2050	Elcthom X	$12⅛	12	12⅛	
1100	Emco	$30	29½	29½	— ½
7700	Equity Svr	435	420	420	—25
8200	FCA Intl	$17⅜	17	17	— ⅜
3600	C Falcon C	$19	18¾	18¾	— ¼
37564	Ficnbrdge	$21⅝	21	21½	— ⅛
13200	Fed Ind A	$16⅛	15¾	16⅛	+ ¼
180	Fed Plan	$30	30	30	
17150	F City Fin	$15⅜	14⅞	15	
4500	Gendis A	$21⅝	21½	21½	— ¼
2100	Geac Comp	$5¼	5⅛	5⅛	— ⅛
36800	Gibraltar	$10	9¾	9¾	
11500	Goldcorp f	$6¼	6	6¼	— ⅛
500	Goodyear	$41¾	41¾	41¾	— ¼
672	Graft G	$19⅝	19½	19½	
552	GL Forest	$24	24	24	
3050	Greyhnd	$28⅝	28½	28⅝	+ ⅛
2451	Hawker	$29⅞	29⅞	29⅞	
3310	Hayes D	$14½	14¼	14½	+ ¼
13679	Hees Intl	$36	35⅝	35⅝	— ⅜
3500	Hollingr I	$24¾	24⅜	24⅝	+ ¼
6646	H Bay Co	$29⅞	29½	29⅝	— ⅜
150516	Imasco	$34⅝	34½	34⅝	+ ⅛
12800	Indal	$16⅝	16½	16½	— ¼
5300	Inland Gas	$11⅞	11¾	11¾	— ⅛
21350	I Corona o	$20⅜	20	20	— ⅜
57900	Intl Thom	$11⅛	11	11	
12399	Inter Pipe	$44¼	44	44	
2075	Ipsco	$10	9⅞	10	— ⅛
7500	Ivaco B	$25¾	25½	25¾	+ ¼
4450	Jannock	$29¼	29	29	— ¼
9650	Kelsey H	$25½	25⅜	25⅜	
4150	Kerr Add	$15¾	15½	15⅝	— ⅛
4734	Labatt	$47	46⅝	46¾	— ¼
14300	Lacana	$7⅞	7⅝	7⅝	— ⅛
3000	LOnt Cem	$26⅛	26	26	
10900	Loblaw Co	$13	12¾	12¾	— ⅛
3825	Lumonics	$15⅛	14¾	15⅛	
31390	Magna A f	$33½	33⅛	33½	+ ¼
1071	MDS H A	$17¾	17¾	17¾	
426056	MICC	$6½	6¼	6½	+ ⅛
59921	Mclan H X	$19¾	19	19¾	+ ⅜
6778	Maritime f	$16⅛	16	16⅛	+ ⅛
5799	Merland E	194	190	190	
6930	Molson A f	$27¼	27	27¼	+ ⅛
500	Molson B	$27¾	27¼	27¼	+ ⅛
150	Nabisco L	$42⅝	42⅝	42⅝	— ⅜
87314	Noranda	$18⅞	18⅝	18¾	— ⅛
40646	Norcen	$13¼	13⅛	13⅛	— ⅛
80148	Nva AltA f	$5⅛	490	5	
38889	Nowsco W	$12¼	12	12	
28418	NuWst sp A	30	29	29	— 1
6800	Oakwood	409	400	400	— 5
44720	Omnibus o	415	400	405	+ 5
3903	Oshawa A f	$44½	44	44½	+ ¼
8100	Pac W Airln	$15½	15⅛	15⅛	— ⅛
500	Pamour	$9⅝	9½	9½	— ⅛
16116	PanCan P	$24½	24¼	24½	— ⅛
926	Pembina	$15⅝	15⅝	15⅝	+ ¼
4381	Pine Point	$13	12¾	13	+ 1¼
145720	Placer	$22	21¾	21⅞	— ⅛
5300	Que Sturg o	485	465	475	—15
6090	Rayrock f	$6⅛	6⅛	6⅛	
4534	Redpath	$25	24¾	24⅞	+ ⅛
500	ReedSt I Sp	$54½	54½	54½	— ½
2900	Rogers A	$23	22⅝	22⅝	— ⅛
1400	Rothman	$39	38⅝	39	+ ⅛
5880	Sceptre	290	285	285	
1220	Scotts f	$40⅝	40¼	40¼	
145010	Sears Can	$14⅛	14	14	— ⅛
2800	Selkirk A f	$24¼	24	24¼	+ ⅛
12223	Shell Can	$22⅝	22¼	22⅜	— ⅛
1402	Sherritt	$6⅞	6⅝	6⅞	+ ⅛
5250	Slater B f	$14½	14½	14½	— ⅛
10991	Southam	$24⅝	24½	24⅝	
15605	Spar Aero f	$27⅝	27¼	27½	
92821	Stelco A f	$25¼	24⅞	25¼	
4300	Sulpetro	46	46	46	— 1
100	Teck Cor A	$22¼	22¼	22¼	
22466	Teck B f	$21¾	21¼	21½	
12727	Tex Can	$28⅝	27⅞	28	
29959	Thom N A	$31½	31	31¼	— ⅛
89321	Tor Dm Bk	$22⅝	22⅛	22⅛	— ⅜
57975	Torstar B f	$30	29⅞	29⅞	+ ⅛
6960	Traders A f	$49½	49½	49½	— ½
2325	Trns Mt	$11½	11½	11½	
3908	Trinity Res	60	55	55	+ 4
72494	TrnAlta UA	$28¼	28	28	
82690	TrCan PL	$18⅝	18	18⅛	— ¼
11405	Trimac	230	225	230	+ 4
32875	Trilon A	$33⅞	32⅝	33⅛	+ ⅜
7500	Trizec A f	$38¼	38	38	— ½
187200	Turbo	51	49	51	+ 2
22945	Unicorp A f	$10½	10⅜	10½	
2500	Un Carbid	$17	17	17	
7100	U Entprise	$12½	12¼	12⅜	+ ⅛
1500	U Keno	$7⅝	7⅜	7⅜	+ ⅛
19720	Versil A f	305	295	295	—10
7130	Wardair	$17	16⅞	17	
903	Weldwod	$23	22½	23	
4548	Westmin	$8	7⅞	7⅞	+ ⅛
4910	Weston	$33⅝	33	33½	— ⅛
20922	Woodwd A	$7	6⅞	7	+ ⅛

Total sales 14,781,203 shares

	Close	Previous
TSE 300 Index:	3,096.40	3,098.80

Montreal *June 4*

Sales	Stock	High	Low	Close	Chg.
33779	Bank Mont	$33⅛	32⅞	33	+ ⅛
298	BombrdrA	$21⅛	21⅛	21⅛	
4723	BombrdrB	$20½	20⅜	20⅜	
6350	CB Pak	$26⅝	26½	26⅝	+ ⅛
73139	Cascades	$12⅝	12¼	12½	
3800	CIL	$32⅞	32¼	32¼	+
9380	ConBath	$24½	24⅜	24½	
12581	DomTxtA	$20⅝	20¼	20⅜	— ⅛
29540	Gaz Metro	$12¼	11⅞	12¼	+ ⅜
5758	MntTrst	$27	26⅝	26⅝	— ¼
35067	NatBk Cda	$28⅝	28⅜	28½	
28835	Power Corp	$39¼	39	39⅛	+ ⅛
11511	Provigo	$20⅝	20½	20½	— ¼
900	RollandA	$30⅛	30	30	— ¼
46227	Royal Bank	$32	31⅞	32	+ ⅛
1368	RoyTrstco	$31⅞	31¼	31¼	— ⅜
5650	SteinbrgA	$45½	44⅞	45½	+ ½

Total Sales 3,530,167 shares.

	Close	Previous
Industrials Index:	1,477.99	1,477.87

To Our Readers

Because of transmission problems, Milan closing stocks were not available Wednesday. We regret the inconvenience to readers.

Sports News, Pages 12 and 13

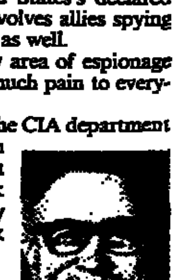
ART BUCHWALD

The Friendly Spies

WASHINGTON — The newspapers are jammed with stories concerning spies and rumors of spies. The world of cloak and dagger does not only concern itself with the United States's declared enemies, but involves allies spying on this country as well.

It is this gray area of espionage that causes so much pain to everyone.

The head of the CIA department involved with ferreting out spies who work for friendly powers is Frank Ferret.



Buchwald

Frank said, "Spying on friends is like cheating on your wife."

"What do you mean by that?" I asked him.

"Beats me, but it always gets everybody's attention. I think what I'm trying to say is that there is nothing wrong with having a secret liaison until it becomes public knowledge. Once it's blabbed all over town then everyone demands punishment, because the cuckolded country can no longer claim it didn't know what was going on."

"I never thought of the espionage business as a form of adultery."

"Only with your friends," Frank cautioned me. "What you have to understand is, the Western powers have a mutual understanding that we can microfilm each other's defense capabilities, providing we don't get caught. If the word gets out that we're being spied on by a friendly country, then we have to show public outrage."

"Name a friend who has done that."

"All the good guys have spies."

"What happens when you catch one of the good guys photographing the stealth bomber?"

"Our style is to arrest him quietly and boot him discreetly out of the United States. Then his country will quietly boot one of our spies out, and we'll pretend it didn't happen. But if someone leaks the story then we have a serious problem."

"Why is that?"

"Arresting a spy from a friendly power raises a lot more questions than it answers. Instead of praising us for catching the spy, the press wants to know how many more are out there just like him. There is a hue and cry in America, and every intelligence agency hates a hue and cry. That's why we'd rather not have agents of allies arrested. But the worst thing about nabbing spies is having to hold a public trial. If they plead not guilty, their defense lawyers will try to embarrass us by asking for every secret the U.S. government has. They know we'll make any plea bargain to avoid producing evidence in court."

"What kind of plea bargain do you offer them?"

"If the rat pleads guilty, we'll give him 20 years in the slammer, and promise he'll be exchanged as soon as possible for one of our guys doing 20 years in his country."

□

"Are there many spies from friendly countries working here?"

"I should hope so. The reason for that isn't because we have the most secrets, but rather because the United States is a fun country to spy on. No spies want to go to the Soviet Union any more, because they can't drink the milk."

"Does the United States maintain CIA agents in our friends' countries as well?"

"Of course we do — but we don't call them spies, we call them 'Freedom Agents.'"

"Do our friends know that our 'Freedom Agents' are spying on them?"

"Yes, but they don't care because with tourism way down in their countries, the CIA covert funds are the only hard dollars they are going to see this year."

'No Sex Please' Marks Its 15th Anniversary

The Associated Press

LONDON — "No Sex Please, We're British," Britain's longest-running stage comedy, has celebrated its 15th birthday with its 6,238th performance. The farce, about a straitlaced bank manager who is flooded with unsolicited mail pornography, has been seen by more than 3 million people.

Anthony Marriott, who with Alistair Foot dreamed up the play in a Chinese restaurant, said Tuesday at an anniversary party, "After reading the reviews I thought it would last for about three weeks."

Jim Wilson/The New York Times

Abstract artist/squash promotor Stella in his studio: "I'm a perfect example of a rope-a-dope in squash."

Frank Stella: From Stripes to Squash

By Edward B. Fiske
New York Times Service

NEW YORK — "I wish I could hit the squash ball as well as I can swing the brush," Frank Stella said.

Stella's prowess with the paint brush is beyond debate. For the last quarter-century he has ranked as one of the United States's major artists. Last weekend he was exercising another of his passions — squash racquets.

The 50-year-old master of he abstract was the promoter of the $50,000 Swan Laser Die U.S. Pro Squash Softball Championships at the Park Place Squash Club in lower Manhattan.

In his initial venture as an athletic impresario, Stella rounded up what was arguably the most talented group of professional squash players ever to assemble in North America.

They included the world's five top-ranked "soft-ball" players — Jahangir Khan of Pakistan, Ross Norman and Stuart Davenport of New Zealand, Gawain Briars of Britain and Chris Dittmar of Australia. They were joined by five "hardball" players — Mark Talbott of Marblehead, Massachusetts, Ned Edwards and Michael Desaulniers of New York, Steve Bowditch of West Germany and Mario Sanchez of Mexico City.

Softball squash racquets is played regularly almost everywhere in the world except North America. It is played on a slightly larger court than hardball — 21 feet wide rather than 18.5 feet — and with a squishy ball that tends to bounce higher and hang longer. In contrast to hardball, where quickness and improvisation will take the player a long way, softball rewards endurance and control.

Stella, who was sporting a bright red squash T-shirt as he wandered among unfinished canvases in the studio below his home in Greenwich Village, said he first took up squash five years ago when he injured his back and could no longer play tennis.

As an artist, Stella is known for his intellectual brillance, his brashness and his capacity to move from one unprecedented style to another, from the stark black-stripe paintings that first attracted national attention in the late 1950s to the extravagant shaped-canvas constructions of recent years. He sees connections between the art and sport and his personal approach to each.

"A painting should move. It is an idealized version of action and gesture," Stella said. "Body balance and movement count a lot in both. In painting you have to be alert to what is happening — what is available to you by way of materials at any given moment. You have to be aware of your own thinking. Squash has that same kind of focusing of energy in the right direction. You get tuned into the action. The fun is making the ball hum and mixing it up.

"People say you are supposed to caress the ball, love it and make it go where you want it to go," said the artist, who described himself as a D player. "I'm still at the primitive stage, though. I like to hit as hard as I can and win as fast as I can. What usually happens at my age, of course, is that I win a couple of games and then get tired. I'm a perfect example of rope-a-dope in squash."

At the first United States Pro Softball event last year, won by Steve Bowditch, Stella helped out by lining up sponsors and designing a poster — he did another one this year in his cone-and-pillar motif — and this year agreed to take over the promoter's role.

"The original idea was to let Americans try their hands at the softball game," he said. "Then someone conceived the idea of putting the best American players together with the best Europeans. I didn't expect them to come, but it turns out that we're on the way to the Australian Open, and the purse is competitive."

Men's prizes ranged from $1,000 to $10,000 for the winner. The women's purse of $10,000 — $4,000 to the winner — was the largest ever for a woman's event. Khan, of Pakistan, the world champion, who has not lost a softball tournament match since the final of the British Open in 1980, took home the $10,000 first prize, and Lisa Opie of England, ranked No. 2 in the world, won the women's play.

Stella said he had no intention of becoming the Don King of squash racquets and was eager to avoid having this tournament look like a celebrity golf tournament. "The point is to attract attention and get it established," he said.

Then he can go back to painting and working on his rail shots and trying to fulfill one of his unfulfilled ambitions. "My goal in life," he said, "is to become a C player."

PEOPLE

Just Out: Disabled Dolls

Mattel Inc. has introduced a line of disabled dolls called Hal's Pals that it hopes will promote self-respect among handicapped children and encourage sensitivity among other children. Susan Smith, a Mattel marketing director, said the dolls would be aimed initially at "the special audiences to whom this kind of product is particularly meaningful" but that the toymaker's "long-term goal is to reach the broadest possible audience. We believe Hal's Pals are really mainstream toys and not just for kids with disabilities." But Paul Valentine, a toy-industry analyst with Standard & Poor's Corp., said: "I doubt that this product is going to be a hit with children, who tend to be very cruel when it comes to disabilities." The "Hal" doll is an amputee who works as a ski instructor; his six "Pals" are variously impaired but also active. Any profits from the line will go to organizations that help disabled children, Mattel said. The 19-inch (48-centimeter), soft-sculptured dolls include a ballerina wearing hearing aids, a boy in a wheelchair who wears a warmup suit, a white girl with leg braces and canes, and a black girl who is visually impaired. The two other dolls, a preppy boy and a Madonna lookalike, do not feature specific disabilities but can be bought with various accessories, such as a wheelchair, so that they can be "customized" for a particular child. They range in price from $39.95 to $44.95. Susan Anderson, the dolls' creator, named them after her friend Hal O'Leary, director and founder of the Winter Park Handicapped Sports and Recreation Program west of Denver. Mattel has formed a nonprofit company to produce and market the dolls through mail order.

□

A State Department official who took his family for a 600-mile (970-kilometer) trip on a Mississippi River luxury steamboat as he returned home from an assignment in Uruguay in 1982 must pay the government $11,178.30, a federal judge has ruled. The government had argued that taxpayers should have had to pay only $1,581.70 of the $12,760 cost for the Christopher Paddack family's 12-day trip on the Mississippi Queen, and demanded the difference. District Judge Thomas A. Flannery said Paddack, who was the U.S. Information Agency's No. 2 man in Montevideo, had testified before the Foreign Service Grievance Board — which heard the case after the government sought to retrieve the money — that the primary purpose of the cruise was to share with his two teen-age children the experience he and his wife had had in seeing riverboats as a [illegible] mode of transportation. Flannery reversed the decision by the board, which found not only that Paddack did not have to repay the money but that the agency could not subtract the time he spent on the boat from his annual leave.

□

The actresses Mary Tyler Moore, Ann Reinking and Cloris Leachman put on their dancing shoes and joined 50 Chinese children and 1,500 American students in the National Dance Institute's "Event of the Year" in New York. The children from Beijing were the largest group of Chinese youngsters ever involved in a cultural exchange with the United States. The dance institute's show began 10 years ago when the dancer Jacques d'Amboise introduced some boys to dancing by teaching them an hour a week. This year, he went to China, taught children there, arranged to send 50 of them plus six young musicians to New York, and gave them the three-part final number in the show.

□

John Henry Borthwick, 80, a wealthy landowner from Crookston, near Edinburgh, has officially become Lord Borthwick. He and his forebears had been trying for 212 years to establish claim to the title, which was created in about 1452. Malcolm Innes, an Edinburgh lawyer who as Lord Lyon King of Arms has the power to decide such issues, said King James II created the peerage. Rights to the title fell into doubt under Oliver Cromwell's rule, when noblemen went out of fashion.

□

Mayor Clint Eastwood has fired four planning commissioners in Carmel, California, who last year blocked his efforts to win approval to build a retail-office complex next to his restaurant, the Hog's Breath Inn. The dispute was one of the main reasons the actor ran for mayor this year.

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